Austria ... Sch. 15	Indonesia .. Rp 2500	Portugal ... Esc 65
Bahrain .. Din 0.650	Italy ...... L 1100	S. Arabia .. Rls 6.00
Belgium ... BFr. 35	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.50	Jordan ... Fils 500	Spain ..... Pta 95
Cyprus .. Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr. 7.00	Lebanon .. L£ 8.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . LFr. 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $65
France .. FFr. 5.50	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco .. Dh 6.00	Turkey .... L 180
Greece ..... Dr 60	Netherlands . Fl 2.25	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr. 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Argentina's Radical Party steps out of the past, Page 4

NEWS SUMMARY

GENERAL

Beirut security hopes bleak

Military officers in the 5,700 strong multinational force in Beirut say little can be done to improve security without changing the role of the force.

This bleak assessment came as George Shultz, U.S. Secretary of State prepared to meet French, British and Italian foreign ministers in Paris today to discuss security in the aftermath of Sunday's bomb attack that killed at least 263. Page 7

George Bush, U.S. Vice-President, on a visit to Beirut said, "We are not going to let a bunch of insidious terrorist cowards dictate the foreign policy of the U.S."

Missile talks threat

The Soviet Union will break off disarmament talks with the U.S. in Geneva if new U.S. missiles are deployed in Western Europe, Soviet President Yuri Andropov said. Nato meeting, Page 20

Second envoy shot

Jordan's ambassador to Italy was shot and seriously wounded in Rome, 24 hours after its ambassador to India was similarly attacked.

War deaths claim

Iraq said its forces had killed 19,239 Iranian troops during the past five days of fighting in the northern Gulf war front. Iran said 77 people died and 400 were injured when Iraqi missiles hit the town of Behbehan.

Yoko's $4m gift

Yoko Ono, widow of former Beatle John Lennon, said she would give goods worth more than $4m to charity "in memory of war casualties of the world."

Texan sheriff jailed

Former Texan sheriff, James Parker, was jailed for 10 years for using water torture to extract confessions from prisoners.

Wild bees kill girl

A swarm of bees stung a girl to death and put 10 other people in hospital after attacking a mountain climbing team in central Taiwan.

Five Basque bombs

Five bombs exploded outside businesses in the Spanish Basque country causing damage but no casualties. In Toulouse, France, the offices of U.S. computer company Sperry-Univac were damaged by a fire which police believe was deliberate.

Stand on S. Africa

Australia's Government banned South Africans from amateur sporting visits and allowed the African National Congress to open offices in Australia.

Israel link spurned

Zimbabwe's broadcasting services rejected suggestions that Zimbabwe establish links with "the hated Jews", saying that Israel was an ally of South Africa.

Briefly . . .

Chilean opposition groups called for a seventh day of protest against Pinochet's regime.

Frank Sinatra was criticised by a UN panel for performing in one of South Africa'a tribal homelands.

Zambians go to the polls today. Page 7

UK Premier Margaret Thatcher is to visit Bonn on November 8–9.

Hungarian leader Janos Kadar arrived to Warsaw for a two-day visit. Page 2

BUSINESS

Boost to UK trade balance

● BRITAIN'S balance of payments current account recorded a surplus of £270m ($404m) in September compared with £22m in August. Page 8. West Germany sharply cut its current account deficit last month but Denmark's deficit rose. Page 3

● WALL STREET: Dow Jones index closed down 8.64 at 1,243.80. Report, Page 33; full share listings, Pages 34–36

● LONDON: FT Industrial Ordinary index rose 1.0 to 690. Government Securities recorded gains of ¾ on longs and ¼ on shorter maturities. The FT Government Securities index staged its biggest rise for a month of 0.34 to 81.94. Report, Page 37; FT Share Information Service, Pages 38, 39

● TOKYO: Nikkei Dow index gained 13.78 to 9,246.55. Stock Exchange index added 2.06 to 678.15. Report, Page 33; leading prices, other exchanges, Page 36

● COPPER cash higher grade closed £27.5 down at £922 ($1,380) a tonne, its lowest since December last year, on further speculative selling, mainly from the U.S. Page 42

● DOLLAR rose to DM 2.6195 (DM 2.6075), FFr 7.7975 (FFr 7.955), SwFr 2.1255 (SwFr 2.116) and Y232.8 (Y232.5). Its Bank of England trade-weighted index was 128.4 (128). In New York it closed at DM 2.6155; SwFr 2.1220; FFr 7.9750 and Y232.35. Page 43

● STERLING fell 25 points to $1.4965 and slipped to Y348.5 (Y348.75), but rose to DM 3.9225 (DM 3.91), FFr 11.9425 (FFr 11.9225) and SwFr 3.185 (SwFr 3.175). Its trade weighting was 83.6 (83.5). In New York it closed at $1.4975. Page 43

● GOLD fell $10.5 in London to $388.125. In Frankfurt it fell $7.25 to $391 and in Zurich $5 to $393.5. In New York the Comex October settlement price was $386.5 ($397.5). Page 42

● DENMARK'S national bank cut the discount rate by ½ a point to 7 per cent. Page 3

● EEC inflation in the 10 countries rose from an average 8.3 to 8.4 per cent last month.

● U.S. HOUSE of Representatives approved a $10.3bn programme of spending cuts over the next three years. Page 4

● FLORIDA'S Landmark Banking Corporation is to acquire Southwest Florida Banks in $185m deal which will create fifth-largest banking group in the state's fast-growing market.

● CHRYSLER'S third-quarter net earnings jumped to $100.2m from $9.4m a year ago, but the U.S. vehicle group may write off its $323.9m investment in Peugeot. Page 20

● IBM and France's Compagnie Generale d'Electricite confirmed "contacts" but played down suggestions that they were to exchange technology and expertise. Page 20

● SENTRY INSURANCE of the U.S. has provisionally agreed to buy the Hong Kong business of Life and General, a subsidiary of collapsed group Carrian. Page 22

● ISCOR, the state-owned South African steel producer, was hit by weak export and domestic markets in the year to June 30. Page 22

● GULF OIL reported a 74 per cent jump in third-quarter earnings to $276m. Page 21

● XEROX'S earnings per share declined 10 per cent in the third quarter. Page 21

American Stock Exchange prices are incomplete in this edition because of technical difficulties.

U.S. overcomes Cuban resistance on Grenada

BY WILLIAM CHISLETT IN BRIDGETOWN, BARBADOS, AND OUR FOREIGN STAFF IN LONDON

THE INVASION FORCE led by U.S. troops on Grenada had to battle heavily yesterday to gain full control of the Caribbean island, but appeared to overcome resistance from Cuban military advisers.

The Cuban Government conceded defeat after an 800-strong U.S. parachute division was sent to strengthen the force of 1,900 U.S. troops and 300 soldiers from six Caribbean states who had landed on the island on Tuesday.

Earlier, the invaders had met stiffer resistance than expected from the Cubans based on the island, a former British colony, and from Grenadian troops. Radio reports in Bridgetown, Barbados, said that at least 12 Cubans, three Americans and three Grenadians had been killed or wounded.

Unconfirmed reports reaching Washington said six Americans had been killed and 33 wounded, with eight missing. Eighteen Grenadian civilians were reported to have died, along with "dozens" of Cubans.

U.S. military aircraft began evacuating American citizens from the island. A White House spokesman said in Washington that a military plane with 61 Americans aboard left Grenada for Charleston, South Carolina.

International condemnation of the U.S. action mounted yesterday.

The British Government will not condemn the Grenada invasion despite its reservations. Sir Geoffrey Howe, Britain's Foreign Secretary, who consistently refused to criticise the U.S. during a debate last night in the House of Commons, said that the UK would not support a United Nations Security Council resolution condemning the invasion. Page 20. Other reactions, Page 4; Editorial comment, Page 18.

The Soviet Union stepped up its attacks on Washington over the invasion, and China also criticised it. Among the U.S.'s allies, France, West Germany and Italy expressed opposition to the military intervention.

In New York, the United Nations Security Council was scheduled to resume discussions on the Grenada issue last night, with the U.S. apparently isolated in defending its action.

In Britain, there were considerable doubts over when the UK Government had been informed of the impending invasion. Mr Tom Adams, Prime Minister of Barbados, contradicted British Government claims that it had only been informed on Monday night. In a BBC interview, he said Britain had been fully in the picture since last Friday.

In Washington, it was understood that the U.S. Administration told London through diplomatic channels on Sunday that an invasion was a strong possibility. London was not, however, said to have been told that the operation was going ahead until it was underway late on Monday.

The Reagan Administration appeared yesterday to have been taken by surprise, both by the strength of resistance to its forces on Grenada and by the extent of the international outcry against the invasion.

When the invasion was launched on Tuesday, U.S. officials said they expected the fighting to be over within 24 hours. Administration officials said yesterday that they had expected some domestic opposition from Democrats and international criticism from unfriendly countries such as the Soviet Union and Nicaragua. They had not, however, expected such strong condemnation from West European governments.

There was strong resentment in some U.S. official circles of the opposition by Mrs Margaret Thatcher, the British Prime Minister, to the invasion, particularly in the light of the support that the U.S. had given Britain in the Falkland war. Mrs Thatcher was blamed for causing serious damage to Anglo-U.S. relations.

Sir Geoffrey Howe, the British Foreign Secretary, is due to hold talks today in Paris with Mr George Shultz, the U.S. Secretary of State, and the foreign ministers of France and Italy – ostensibly on the future of the multinational peace-keeping force in Lebanon after the weekend's bomb attacks on French and U.S. headquarters in Beirut.

Sir Geoffrey is expected to use the occasion to reiterate Britain's doubts about the Grenada invasion, and press Mr Shultz about U.S. intentions on the island.

The exact military position on Grenada was unclear last night. Communications between the island and the outside world have been broken

The uncertainty and the arrival of more U.S. troops underscored the feeling that the well-equipped invasion force has faced unexpected difficulties in overpowering the armed forces of Grenada, which number about 2,400 including a people's militia.

Bonn chooses Veba for first sale of assets

BY JONATHAN CARR IN BONN

THE West German Government plans to sell to the public next January a big part of its stake in the diversified energy concern Veba, the country's biggest industrial enterprise. The deal might bring Bonn DM 700m ($385m).

The announcement yesterday marks the first step by the centre-right Government to fulfill its promise to put state holdings into private hands.

Dr Gerhard Stoltenberg, the Finance Minister, told a press conference that be would follow up the Veba sale with an overall plan next year for further denationalisation.

He emphasised that Bonn'a eventual aim with Veba was to cut its present holding of 43.75 per cent to only 25 per cent, which was enough to secure influence on national energy policy matters.

In a first big move in that direction, the Government would cut its take in January to 30 per cent by disposing of shares with a nominal value of DM 232m. At current market values, that would net Bonn about DM 700m.

Dr Stoltenberg emphasised that the January sale date had been chosen because a new government scheme to encourage people with lower incomes to invest in shares was being introduced during that month.

It was intended that Veba shares would go to those buyers and to company employees.

The scheme has been approved by the Cabinet. but it also required the go-ahead by parliament. The Government, however, has a clear majority in both upper and lower houses.

The new plan is considered of great importance, politically and financially, for several reasons:

● Veba shares are highly attractive and the new sale might, it is felt, do much to encourage wider interest in the stock market in Germany. The group, with interests in atomic power, oil, natural gas and chemicals, had 1982 sales of DM 50.5bn and net profits of DM 433m. It has more than 700,000 shareholders, of which Bonn is by far the biggest.

● Dr Stoltenberg has pledged that the full sum obtained from the sale will be used to cut the Government's borrowing requirements, so far estimated at a net DM 37bn next year after DM 40bn this year.

● The move is felt bound to give a big morale boost to many in

Continued on Page 20

Markets, Page 33

EEC wheat deal may revive row with U.S.

BY JOHN WYLES IN STRASBOURG

THE EUROPEAN Commission is to risk a further worsening of its farm trade row with the U.S. by allocating £18.3m ($27.3m) from the EEC'a hard-pressed budget to subsidise the sale of 400,000 tonnes of wheat flour to Egypt.

Mr Christopher Tugendhat, the Budget Commissioner, told the European Parliament yesterday that the aim was to rescue some of the Community's share of the Egyptian market, which was lost when the U.S. concluded a heavily subsidised sale of 1m tonnes of wheat flour in January of this year.

Deliveries would take place between December and July next year, so most of the cost would fall to the EEC's 1984 budget, Mr Tugendhat added.

The U.S. sale was regarded in Brussels and several EEC capitals as an extremely hostile escalation of Washington's campaign against the EEC's use of subsidies to underpin its farm export trade.

The Commission does not regard its action as in any way provocative, but Washington may see it differently. For the past few months, the EEC has fixed a subsidy of 72 European Currency Units ($62.3) per tonne of wheat flour, and the Egyptian sale is being made possible by raising this subsidy to 79 Ecu a tonne.

Commission officials acknowledge that the resulting sale price of £200 a tonne will be slightly below current world prices. They argue, however, that these are entirely theoretical because the U.S. sale to Egypt at £155 a tonne wrecked world wheat flour trading, and no important sales have since been recorded.

With commercial imports of 900,000 to 1m tonnes a year, Egypt accounts for about 20 per cent of the world market for wheat flour and for years the Community has been its main supplier.

France, as the EEC's largest wheat and wheat flour exporter, has been determined to strike back against the U.S., and the provision of a special export subsidy is very much a response to pressure from Paris.

But it also reflects a desire to demonstrate that the Community is still in business as a food exporter, despite its budgetary difficulties.

Before the current harvest, EEC wheat stocks stood at an abnormally high 10.3m tonnes, and the Egyptian sale should reduce that hy 800,000 tonnes.

For no evident reason, Egypt has emerged as the main battleground in the subsidy sniping with the U.S. Washington followed the wheat flour sale with a subsidised deal in late July to supply butter and dairy products to Egypt.

The Ten have lodged a complaint with the General Agreement on Tariffs and Trade (Gatt) about both the wheat flour and the butter sales. They argue that the U.S. is using export subsidies to expand unfairly its market share, which is precisely the same basis as the complaints the U.S. has launched at Gatt against the Community's farm trade.

Tax rises in Swedish package

By Kevin Done and David Brown in Stockholm

SWEDEN'S minority Social Democratic Government yesterday launched a mini-budget of further tax increases and cuts in welfare and other state expenditures worth around SKr 7bn ($900m) in a full year.

The package is a modest attempt to start cutting the bloated central government deficit of about SKr 90bn, but several of the moves such as the abolition of important food subsidies, cuts in welfare benefits, increases in some health care charges and a cut in real terms of overseas development aid are highly charged politically.

Announcing the measures, Mr Kjell-Olof Feldt, Finance Minister, said the aim was to freeze the nomi-

Continued on Page 20

State raises offer to aid Krupp merger

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government has made a new attempt to save the long discussed merger between the Thyssen and Krupp steel interests from collapse.

The Cabinet yesterday agreed to boost its aid offer for the merger from DM 300m to DM 500m ($115m to $192m) and gave the companies until next Wednesday to decide whether to accept.

Calling this Bonn's "final offer," Count Otto Lambsdorff, Economics Minister said no additional time for consideration was needed because arguments were by now well-known.

If the companies felt unable to go ahead despite the increase, other ways would have to be sought to help restructure the country's steel industry.

The DM 500m offer is still much less than half the sum Thyssen says it needs for the merger, to help neutralise Krupp's debts. The fate of the plan thus remains open.

Count Lambsdorff, however, stressed that Thyssen and Krupp also stood to receive DM 1.5bn from a total of DM 3bn public sector aid promised for the whole steel industry earlier this year.

That sum would be in addition to the DM 500m being offered to help cover the costs of the merger, he said. He had the impression that in the public discussion of recent weeks the DM 3bn programme had been half forgotten.

The Thyssen-Krupp merger was one major element of a plan produced by independent experts in January to help the industry to cut capacity and restructure.

Bonn's readiness to put up still

Continued on Page 20

Bethlehem Steel cuts losses, Page 20

International aero-engine deal set to clear U.S. trust hurdle

BY LYNTON McLAIN IN LONDON

THE PROPOSED international consortium of aero-engine companies, led by Rolls-Royce and Pratt & Whitney, looks set to clear a crucial hurdle at the U.S. Justice Department. Officials are currently holding up plans by Pratt & Whitney to collaborate on a $1.5bn development of a new airliner engine.

The Justice Department in Washington is near the end of an anti-trust investigation into the plans of Pratt & Whitney, and formal clearance is thought to be imminent.

The other major U.S. aero-engine company, General Electric, is already a partner with the French Snecma aero-engine company. This partnership makes the CFM56-4 engine chosen for the Airbus A320 airliner, with the financial support of the French Government.

A go-ahead will clear the way for Pratt & Whitney, Rolls-Royce, Fiat Aviazione of Italy, Motoren und Turbinen Union of West Germany and Ishikawajima-Harima Heavy Industries, Kawasaki Heavy Industries and Mitsubishi Heavy Industries to proceed with the formation of a new company.

The companies agreed in March to form International Aero Engines, to attempt to find up to £1bn ($1.5bn) in investment to develop and produce a new generation engine, the IAE 2500, for future 150-seat airliners.

Rolls-Royce and Pratt & Whitney are each expected to have 30 per cent of the work on the new engine. The balance of 40 per cent is to be shared between the five smaller aero-engine manufacturers.

The companies signed an agreement in Munich last month on the division of technical responsibilities for the proposed development of the engine.

The three Japanese companies and Rolls-Royce are already partners in the Rolls-Japanese RJ-500 engine programme and they are expected to contribute design and development expertise on the front part of the proposed new IAE 2500 engine, including the big fan and the compressor.

The clearance for Pratt & Whitney to collaborate on the programme would not signal the immediate start on the engine. This is dependent not just on a Justice Department go-ahead but also on approval of investment plans by the governments of the five nations involved, and on the growth of a market for the 150-seat airliners which would use the proposed engine.

A British Government go-ahead for the venture would involve approval of a £500m programme by Rolls-Royce and its Japanese partners, as their contribution to the IAE 2500 programme.

CONTENTS

French high-riser looks for return to high rates of growth

David Housego profiles the man widely tipped as France's next Prime Minister

HIGH on political experts' lists to be the next French prime minister when M. Pierre Mauroy steps down, is the other Pierre in the government — M. Beregovoy.

He is little known to the French public and even less abroad. But with the long-winded title of Minister of Social Affairs and National Solidarity, he is with M. Jecques Delors and M. Laurent Fabius—respectively Ministers of Finance and Industry — in charge of one of the three "super-ministries" that now co-ordinate domestic policy.

Both his seniority and his reputation as an heir apparent assure him of an important role at this weekend's (October 28-30) Socialist Party Congress which will he preoccupied with issues of employment, social protection and succession.

Son of an immigrant worker from the Ukraine, who has spent almost 40 years as a party official, be, along with other senior members of the government has accepted the need to adapt policies to circumstance. "Pragmatism is a great virtuo in politics," be says. He also says "I do not feel myself embarrassed by being called a social democrat" which used to be a term of abuse amongst French socialists.

He shares with the left of the party an emphasis on the need to return to a higher rate of economic growth notwithstanding the present restrictive policies. "People will not eccept zero growth," be says. "They want to push farther and faster."

In contrast to those who argue that the continuing growth in real terms of social welfare expenditure has a damaging effect on competitivity, be believes that it has a beneficial impact in maintaining consumption and bence output. "What were the major principles behind the Beveridge Report (that laid the basis of the British welfare state)?" he asks.

His answer: "There were two. One was to redistribute wealth through welfare payments. But the other was to provide counter cyclical support to economic growth. The Beveridge report was written against the background that the absence of social welfare payments had had a depressing effect on consumption and output in the 1930s."

It was this emphasis on the need to maintain higher growth that put him prior to the March devalustion of the franc amongst those close to President Mitterrand who favoured France pulling out of the EMS.

But M Beregovoy does not equate expansionist policies with the financial laxity of which Socialists are often accused. He holds up as his intellectual mentor, Pierre Mendes-France, Prime Minister for under ten months in the 1950s but whom many on the French left regard as their father figure. "I worked with Mendes-France," he says, "he was very rigorous but believed in expansion."

By contrast M. Beregovoy sees the great sin of the 1960s and 1970s as heing to finance development out of inflation. In Britain's case, he says, it produced "stagflation" and then a complete breakdown.

M. Beregovoy's rise has been rapid. After being a discreet trouble-shooter for M. Mitterrand while in opposition—he negotiated the alliance with the Communists after 1975—the newly elected President appointed him to the key post of Secretary-General at the Elysee. As such he sieved virtually everything that passed before the President's eyes.

He was made Minister of Social Security in 1982 when M Mitterrand needed somebody who could cut back the deficit in the social security fund without angering the unions or e popular opinion tenacious of welfare benefits. His success in that job resulted in his being given the enlarged portfolio of Social Affairs in the March reshuffle which carried with it responsibility for employment and immigration as well as the informal status of being part of the triumvirate under M Mauroy that effectively runs the administration.

A shy but warm and direct personality, respected for his mastery of detail, he is much more at ease in conversation than on a public platform. Whether he would be M Mitterrand's choice as Prime Minister would depend on whether the President's major need was to reassure the financial markets or to appease union and rank and file support. M Beregovoy would fit most into the second category but helpful would be his reputation for ruthlessly pruning deficits.

He says that France cannot afford any further widening of its public sector deficits and thus that further decisions on industrial restructuring must be taken. Ho believes the key to avoiding major industrial unrest so far has been the government's emphasis on dialogue with the unions and to the priority it gives to retraining. As to whether the social peace will continue, he says in English "wait and see".

Reinforcing what is seen by many as President Mitterrand's rash commitment to lower taxation as a proportion of GNP in the 1985 budget that will pave the way for the legislative elections the following year, M Beregovoy says that the psychological reasons for lowering taxes are stronger than the economic ones. "We have reached a point where people are reticent to pay".

He has his own ideas on how the promised 1 per cent cut—equal to some FFr 40bn—in the proportion of tax GNP can be achieved. One possibility he says would be to cut aids to industry by some FFr 40bn while reducing the tax and social security payments industry has to bear by an equivalent amount: another would be to apply a means test on family allowances. Behind both proposals lies his belief that the government must get away from e system under which it unnecessarily duplicates its efforts by levying taxes on one hand and distributing assistance with the other. "I am e man of simple ideas", he adds.

M Beregovoy's main task in the tail months of the year is to push ahead with the proposed reform of the French social security system. He has organised for next month a round-table conference between government, employers and unions to discuss what options are open at e time when social security payments — in France over FFr 100bn or more than the state budget — are outrunning the growth of material output. To prepare the ground for it be published in June a White Paper on Social Security which was widely acclaimed for its clarity in setting out the choices.

Having helped reduce the growth of social spending in real terms from an average of 6-7 per cent in recent years to about 3 per cent, M Beregovoy does not think it is possible to go much lower. He does not believe in British or American type schemes of shifting the burden of financing to private health insurance. He believes further savings can be made in hospital management. He wants to lighten the burden of social security payments on companies. He hopes his round table conference will put before Frenchmen the issues of how generous a social security system they want and how it should be financed. But "there are no miracle remedies", he says.

M Pierre Beregovoy: not ashamed to be called a social democrat

Coal Board aims to shut pits and shed jobs

FRANCE'S state-owned coal authority, Charbonnages de France, is seeking government approval for plans to close down uneconomic pits and reduce its workforce by "some thousands," writes David Housego.

The proposals have been presented privately to the Government as a result of its earlier decisions to freeze the level of financial assistance to the Coal Board while requiring it to eliminate its losses. CdF expects to lose about FFr 1bn (£83m) this year in spite of receiving FFr 6.5bn of stato aid.

The Government's 1984 budget provides for subsidies to the Coal Board to be maintained at this year's level. On CdF calculations this means a 10-15 per cent fall in real terms in subsidies availablo for coal extraction, after taking into account inflation and automatic increase in fixed charges such as pensions.

The proposed lay-offs are likely to be strongly contested by the Communist-led CGF union, which is the dominant among miners. There will also be an important test of the Government's readiness to approve industrial restructurings that involve substantial reductions in labour.

The Government is the more embarrassed in that on coming to power it confirmed tho pre-electoral goal of the Socialist and Communist parties to raise coal production to 30m tonnes. Production last year was 19.9m tonnes and is expected to fall this year to 18.5m tonnes.

Officials concede privately that output could eventually fall below 15m tonnes if approval is given to close uneconomic pits from next year.

The government is unlikely to give its decision until the Coal Board's budget for next year comes before the National Assembly in mid-November when it could face challenges from Communist deputies over the clampdown on allocation to CdF.

Portugal's current account deficit declines sharply

BY DIANA SMITH IN LISBON

PORTUGAL'S current account on the balance of payments improved strongly in the first half of this year, according to Bank of Portugal officials. The picture for the third quarter is better still.

The former centre-right coalition Government headed by Sr Francisco Balsemao can take credit for e drop in the balance of payments deficit to $702m (£468m) by June, against $1.17bn (£780m) e year earlier, and a drop in the visible trade deficit to $836m against $1.38bn for the first half of 1982.

The smaller trade deficit reflects lower imports in the first half, when the former administration delayed the granting of import licences. While imports totalled $2.35bn in the first half of last year, they were only $2bn this year. Exports, meanwhile, rose from $974m to $1.17bn despite difficult markets.

Third quarter figures for this year are still being collated, but senior officials at the Bank of Portugal reckon that the austerity programme enforced by Sr Mario Soares's Socialist-Social Democrat Government on trade and foreign borrowing will produce a current account deficit by the end of the year below the $2bn target set by the International Monetary Fund. Portugal had its worst current account deficit ever in 1982 of $3.2bn.

Defending his tough economic policies in Parliament against challenges by Communist deputies, Sr Ernani Lopes, the Finance Minister, maintained that emergency austerity policies must continue until the end of 1984. By mid-year, however, the Government will reveal plans to modernise and expand the economy.

Portugal's development, Sr Lopes said, calls for controlled liberalisation — which has already begun—of the economy's institutional framework, technological advances that greatly improve productivity and top-to-bottom reforms in production, especially agriculture, whose present situation is the worst obstacle to long-range development.

Oil consortium may offer Dublin early output deal

BY BRENDAN KEENAN IN DUBLIN

THE CONSORTIUM which has discovered oil off the south coast of Ireland may propose a scheme for early production before the exact size of the field is known if the Government delays taking up its entitlement to 50 per cent of the output. This follows a recent meeting in London of the equal partners in the discovery — Gulf Oil, Unionoil and Atlantic Resources.

Gulf, the operator, is due to drill e second well beside the discovery well in Block 49/9 which flowed et eround 10,000 barrels per day. Results from the well are expected early next year. If they are positive, it might be possible to produce up to twice Ireland'e daily oil needs from the two wells.

Such a proposal would have political end economic attractions for the Government. The alternative is to drill a number of appraisal wells to establish the exact size of the field and this could mean production would not begin before 1986.

Early production would also help the Irish partner in the consortium, Atlantic Resources, which otherwise might have difficulty funding its share of the cost of appraisal wells. Gulf, too, is short of crude oil supplies of its own.

Against this the Government would have to weigh the consequences of postponing its right to 50 per cent participation and settling, in the meantime, for tax and royalties amounting to about 30 per cent of the value of production. The idea is that the Government would be entitled to all the value of the second 50 per cent produced from the field.

It is suggested in the consortium that, if the Government goes from the beginning for its full take of more than 80 per cent, further exploration could be discouraged.

● The Government is understood to have decided to provide no more funds for the controversial airport being built near the Marian shrine at Knock, Co Mayo. Next month's government estimates are likely to provide only several thousand pounds to complete existing contracts.

Kadar arrives in Warsaw for two-day visit

By Christopher Bobinski in Warsaw

MR JANOS KADAR, the Hungarian leader, arrived in Warsaw yesterday for two-days of talks. His visit, and that last August of President Erich Honecker, of East Germany, signal Poland's return to the Soviet bloc fold after what were seen as the deviations of the Solidarity period.

The Hungarian's visit, however, has a special significance for the Polish leaders. They have felt, right from the imposition of martial law in December 1981 that his success in regaining internal and external respectability after the crushing of the 1956 uprising provides a similar hope for them.

Significantly, it precedes a visit by Mr Gustav Husak, the Czechoslovak leader, despite that country'a greater economic importance to Poland, and reflects the continuing chill in relations between Prague and Warsaw.

Fiat launches 'gearbox of the future'

By Stuart Marshall

A VERSION of the Fiat Uno car with a new type of continuously variable transmission (CVT) will go into production towards the middle of next year.

Fiat sees the CVT, in which it has already invested about $50m, not simply as an alternative to conventional automatic transmissions but as "the transmission of the future".

Patents and design of the CVT are owned by van Doorne Transmissie of the Netherlands, a company in which Fiat has a 24 per cent shareholding. Borg-Warner of the U.S. has 24 per cent, Dutch Volvo 40 per cent, with the remainder in the hands of the Dutch Government.

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EUROPEAN NEWS

Pressure for EEC reform increases

By Paul Cheeseright in Luxembourg

AGREEMENT ON key measures to remove barriers to trade within the EEC continued to elude the ten community members at a meeting of trade ministers in Luxembourg yesterday.

But momentum towards reform has built up and Mr Paul Channon, the UK Trade Minister, said, "There is a better than even chance of yielding something before or at Athens."

The next EEC summit will be held in Athens during December. It is hoped that new measures will be taken to reinvigorate the community. They would include elimination of non-tariff barriers to trade within the EEC.

Before the Athens meeting it is expected that the trade ministers will meet again.

Significantly, France yesterday dropped objections to the technical discussion of 21 draft directives establishing technical standards for a range of products from cars to permissible levels for noise made by lawn mowers.

The establishment of common EEC standards would mean that countries outside the community wishing to supply the market would have easy access, once their products met the required standard. This implies a loss of national control over imports. The French have not been prepared to entertain this, especially for cars and measuring instruments.

West Germany cuts current account deficit to $230m

BY JONATHAN CARR IN BONN

WEST GERMANY sharply cut its current account deficit last month compared with August, but did not emerge completely from the red as it did in September 1982.

The federal statistical office reported that the current account deficit totalled DM 600m ($230m) in September, compared with a shortfall of DM 3.4bn in August and a surplus of just DM 7m a year earlier.

The surplus on visible trade rose *last month* to DM 3.6bn after DM 2.5bn in August, but remained well down on the surplus of DM 5.2bn in 1982.

Despite the slightly less favourable September figure, it remains likely that the current account surplus for the year as a whole will exceed the 1982 figure of DM 8.6bn.

In the first nine months, the visible trade surplus has totalled only DM 30.4bn, compared with DM 36bn in the same period of last year.

On the other hand, Germany's traditional deficit on "invisibles" – like tourism and foreign workers' payments to their homelands – has been cut. The result is a cumulative current account deficit in January-September of only DM 500m compared with one of DM 3.5bn a year earlier. The winter months are traditionally ones of marked current account surplus.

Denmark's shortfall on foreign trade worsens

BY CHRISTOPHER VAN BERGEN IN COPENHAGEN

DENMARK'S foreign trade deficit rose sharply in September to a provisional DKr 1.05bn ($112m), according to the Government Statistics Bureau.

September's deficit compared with a revised DKr 400m deficit in August and a DKr 248m shortfall in September last year. Danish imports rose to DKr 14.13bn in September from a revised DKr 11.93bn in August, while exports rose to DKr 13.08bn against DKr 11.53bn in August.

The Danish national bank yesterday announced a cut in the discount or bank rate from 7.5 per cent to 7 per cent effective today, the lowest rate since October 1973.

The Danish central bank said that the move followed positive reactions in currency and stock markets to the *13-month-old Conservative-Liberal minority Government's* agreement with opposition parties on Monday to DKr 7.85bn cuts in the state budget for 1984.

The Danish bank rate has now been cut four times within the past months. In February 1980, when the country had a Social Democratic government, the rate reached a record 13 per cent.

Daimler warns on hours reduction

By John Davies in Frankfurt

A SHORTER working week would damage West Germany's ability to compete in world markets, according to Dr Gerhard Prinz, chief executive of Daimler-Benz, the car and truck maker.

He said yesterday that the country's competitiveness had already deteriorated in the last 10 years and jobs had been lost as a result, especially to the Japanese.

Dr Prinz, addressing an international economic forum, was in effect cautioning against the demands of IG Metall, the 2.5m strong metal union, for a reduction in the working week from 40 to 35 hours.

The union is expected to meet employers in December to put its case and has alerted members to prepare for a hard struggle, possibly involving strikes and lock-outs.

Although the union has not fully formulated its strategy, there is speculation that it may single out the more successful car makers as pressure points if it calls stoppages in the new year.

At this stage, the union, employers and some government ministers are engaged in a war of rhetoric and the course of the conflict is unpredictable.

Militant union activists have been spurring the IG Metall leadership into an ever harder position. But the outcome of the struggle is likely to depend on complex manoeuvring involving other issues, such as the level of wage rises and earlier retirement.

Recession places extra burden on minorities

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT, RECENTLY IN MADEIRA

MIGRANT workers and ethnic minorities throughout Western Europe have failed to achieve the human rights guaranteed to them by *international conventions*, according to a conference in Madeira held under the auspices of the Council of Europe.

The conference was attended by 200 parliamentarians, government officials, lawyers, academics, representatives of non-governmental organisations and immigrant and refugee communities.

They were told that unemployment, with its inevitable social repercussions, has increased the problems of immigrants trying to improve their status and security in their host countries.

The reaction of several European states faced with recession has been to impose new restrictions on the admission and residence of aliens. This has led ethnic minorities to detect increasing discrimination in the policies and practices applied to them.

They were told that dissatisfaction with the lack, or inadequacy, of national laws to protect them was prompting an increasing number of *foreign residents* to turn to the European Commission on Human Rights in Strasbourg for help.

Last year, 24 per cent of applications filed with the Commission came from foreign residents, compared with an average of 7.7 per cent between 1978 and 1981.

Professor Richard Plender, of King's College, London, told the gathering that recession had struck Western Europe at a time when there was an unusually large number of migrant workers.

Over the past three decades, about 15m had come in as a result of post-war labour shortages, the exclusion of ethnic minorities from former dependencies and a "revolution" in transport, making movements between countries far easier.

That figure, he said, did not include first generation immigrants born in the host countries.

THE INVASION OF GRENADA

USSR and China unite in protest against 'violation'

BY ANTHONY ROBINSON

THE SOVIET Union and China found a rare convergence of views yesterday as both strongly condemned the U.S.-led invasion of Grenada, echoed by strong criticism in communist media throughout the Soviet bloc.

In Peking, a Chinese foreign ministry spokesman condemned the invasion as "a flagrant violation of the UN charter and of normal relations between states." China expressed its "strong condemnation" and called for "immediate withdrawal of troops."

An official Soviet Government statement carried by Tass said "the Soviet Union firmly condemns the U.S. aggression against Grenada and stigmatises it as e crime against peace and humanity."

The statement added that "the bandit attack on Grenada shows with total clarity the danger posed to the cause of peace and the freedom of peoples by the course pursued in international affairs by the present administration."

Western diplomats in Moscow expect a prolonged propaganda barrage over the next few weeks supporting its claim that the Reagan Administration was aiming at global military security. It is also expected to seize on hostile reactions by many Neto countries, including the UK, where the invasion has cast doubt on the wisdom of relying on an "American finger" on the trigger of Cruise and Pershing missiles about to be installed in Western Europe.

Diplomats added thac the invasion has come at an ideal time for the Soviet leaders. It will both shift the spotlight from Moscow's own recent embarrassment over the shooting down of the South Korean airliner and put the U.S. firmly on the defensive and strengthen opposition to the deployment of new U.S. missiles in western Europe.

The Polish Government, which has also been smarting for months over U.S. sanctions and criticism of the military regime, also condemned the U.S. action as "another proof of the policy of strength, breach of the generally binding norms of international relations and violation of the sovereignty and independence of other nations."

France condemns breach of international law

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government yesterday strongly condemned the U.S. invasion of Grenada.

A statement issued after the weekly cabinet meeting said that France condemned the U.S. intervention as it did "all undertakings of the same sort"—a reference that puts the U.S. action into a similar category as the Soviet invasion of Afghanistan or the Libyan invasion of Chad.

President Mitterrand had stressed that one of the main principles of international law was the right of peoples to determine their ewn future. Earlier, the French Foreign Ministry, in an equally toughly worded statement, said that no state or group of states has the right to intervene militarily in the territory of another unless invited by the "legitimate euthorities" of the country or with Security Council approval.

The U.S. action is seen in Paris as making more difficult concerted western action over East-West issues and the Lebanon and as inevitably throwing e cloud over today's meeting in Paris of the Foreign Ministers of the U.S., France, Britain and Italy.

It has revived much of the distrust felt by President Mitterrand's administration for President Reagan's readiness to transform regional issues into East-West conflicts. This surfaced early after the Socialists' victery when France crossed swords with Washington by sending military and ether aid to Nicaragua.

Nonetheless, France has of late been anxious to bury such differences in the face of its anxiety at increased international tension as the deadline for the deployment of U.S. missiles in Europe draws near. In French eyes, there is a link between Soviet pressure in Europe and the conflicts in Chad and Lebanon, in which the French have a direct involvement.

AP adds from Bonn: The West German Government yesterday distanced itself from the American invasion of Grenada, saying it hoped that the people of Grenada would soon be able to decide their ewn fate.

Bonn was not consulted by the U.S. before the invasion, and would have advised against it, the chief Government spokesman said.

Former West German Chancellor Willy Brandt, the chairman of the Socialist International, sharply condemned the invasion, calling it "irreconcilable with the principles of human rights."

Castro says victory is pyrrhic

By Canute James in Kingston

Dr Fidel Castro, the Cuban President, has said the U.S. will gain nothing more than a pyrrhic "victory" in the current invasion of Grenada.

Speaking in Havana, Dr Castro said he was twice asked by General Hudson Austin, the Grenadian army commander who took over the island in a bloody coup a week ago, for reinforcements to fight off an impending invasion.

The Cuban leader said he refused as he could not commit support to a government which had taken over after the death of Mr Maurice Bishop, the Grenadian Prime Minister who was murdered by the army. He said also that Cuba would not hope to compete with the military might of the U.S.

The Cuban President said there were more than 700 Cubans in Grenada and 40 of these were military advisers. They had been given guns by Mr Bishop to defend themselves in case of an invasion. The Cubans were told Dr Castro said that they should use the arms only to defend themselves.

Describing the invasion as "error" by the U.S. Dr Castro said he was told by the Americans of the move after it had started and that it would have been "dishonourable" to withdraw the Cubans from Grenada at that stage.

Mr Tom Adams, the Prime Minister of Barbados, one of the Caribbean countries with troops in Grenada, said be was surprised at the British attitude to the invasion. Mr Adams said he was astonished by the British claim to have known of the invasion only when told by the Americans after it had started.

"I personally communicated through the usual diplomatic channels some time ago that the organisation of Eastern Caribbean States would be proceeding with action. The organisation took the decision last Friday. It would have been communicated ever the weekend." Mr Adams said.

● SURINAM, in northern South America, has asked the Cuban Ambassador to leave, and is downgrading the level of diplomatic ties with Havana.

Nicaragua fears attack

By Tim Coone in Managua

The U.S. invasien of Grenada has raised fears in Managua that direct military action by troops of other countries in the region and even the U.S. may attack Nicaragua.

Sr Daniel Ortega, the head of the Nicaraguan junta, addressing a rally of tens of thousands ef Nicaraguans protesting at the Grenada invasion, said that the Nicaraguan people "now more than ever" must be prepared to defend the country.

He said that a meeting of military leaders of Honduras, El Salvador and Guatemala was taking place in Honduras at the same time as the invasion of Grenada under the auspices of the Central American Defence Council (Condeca) "to agree concrete plans for an attack against Nicaragua."

Sr Ortega claimed that the CIA was planning to carry out attacks against economic targets in Honduras and Costa Rica which would then be blamed on Nicaragua, and used as a pretext for an attack against the country.

Americans indifferent to outcry in Britain

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE OUTCRY in Britian ever the Grenada invasion is not a factor that has so far weighed heavily with the Reagan Administration—still less with the general American public, whose prime concern is with potential U.S. casualties.

President Ronald Reagan would doubtles have welcomed Mrs Thatcher's support. But the UK is not regarded in Washington as an ally whose backing is indispensable when over-riding U.S. national interests are at stake, as Mr Reagan believes them to be in the Caribbean and Central America.

As Mr George Shultz, the U.S. State Secretary, tactfully puts it, "We are always impressed by Mrs Thatcher's views, but we do not always agree with them." If there is e vestige of the "special relationship" left under the Reagan Administration, it lies in the similarity of the two leaders' economic and strategic policies, and particularly their general approach to the Soviet Union.

This does not, however, necessarily translate into any commitment to joint action in American eyes—as the Administration's attitude on the Falklands, and Mr Reagan's sanctions against the Soviet gas pipeline, clearly demonstrated. The Reagan administration only narrowly, and belatedly, decided to come out in support of Britain on the Falklands and there were many in Washington who thought, and still think, that e policy of U.S. neutrality would have better suited U.S. interests in its own hemisphere.

Hardliners like Mrs Jeane Kirkpatrick, the Right-wing U.S. ambassador to the United Netions, would almost certainly have preferred to see the U.S. back Argentina. With the decline of the old eastern intellectual establishment in the U.S. there is no longer an instinctive sentiment in Washington that ties with Britain, or the rest of Western Europe, automatically come first.

That is not to say that Mr Reagan does not value the Atlantic Alliance. He does. But his responsibilities as leader of the alliance de not supersede his more fundamental responsibility, as he sees it, to put U.S. interests first.

It is true that some Washington officials, especially in the "more pro-European" State Department, are concerned over the impact that the latest turn of events may have on alliance cohesion. They acknowledge that the invasion may be used as a further argument against the deployment of new U.S. nuclear missiles in Europe by the missiles' opponents.

They accept, too, that, particularly in Britain, there is concern abont U.S. control over the missiles and that a "trigger-happy" image of Mr Reagan can only make the issue more sensitive. The fact remains, however, that these were not major considerations — rightly or wrongly—in the decision to intervene in Grenada.

For the moment, the administration is sticking publicly to its original line that the invasion was necessary to protect American citizens and restore law and order and democracy. That is an almost verbatim repetition of the justification used by President Lyndon Jobnson when be sent the marines into the Dominican Republic in 1965.

Mr Johnson later edmitted that his main motive had been to forestall a Communist takeover that risked turning the country into "another Cuba." And right up to the invasion, Mr Reagan bas made no secret of the fact that he had similar fears about Grenada.

In March, Mr Reagan said thet "the defence of the Caribbean and Central America against Marxist-Leninist takeover is vital to our netional security." He pounded home the point in a specific reference to Grenada, the world's largest nutmeg producer: "It is not nntmeg that is at stake in the Caribbean and Central America, it is U.S. national security."

Mr Reagan and other members of his administration have focused particular attention on the island's new 10,000 ft runway which they believe is intended to be a staging-post for Soviet military aircraft flying to Central America.

There is little doubt that Mr Reagan would have long welcomed an excuse to do something about it. What happened on Grenada last week fortuitously provided just such an opportunity.

It seems clear, and Mr Shultz has all but confirmed it, that the administration was seriously concerned at a possible replay of the Iranian hostages affair. Mr Reagan also almost certainly felt that he could not afford to risk losing more American lives so soon after the death of so many marines in Beirut.

It is also true that the concerns of the neighbouring islands were real — as was amply demonstrated by their readiness to issue a formal request for U.S. help and contribute to the invasion force. To Mr Reagan, it was a chance not to be missed.

What it does not mean, as seen from Washington, is that Mr Reagan is more likely to launch Cruise missiles against the Soviet Union from Western Europe.

Islands which have been battleground for 500 years

BY OUR FOREIGN STAFF

THE GREAT are of the Caribbean islands reaching from the tip of Florida to the coast of South America has been fought ever by outsiders since Columbus made his first Western hemisphere landfall there in 1492. The U.S. invasion of Grenada, with the support of six Caribbean states, is only the latest in e series of conquests and invasions to achieve influence in the region.

In the 16th to 19th centuries Spaniards, English, French and Dutch struggled for bases and trading advantage in the myriad isles and islets. The U.S. entered the scene in 1898 when, in e brief war, it wrested control over Cuba from the Spanish crown. The island became a U.S. client state and remained so until 1959 when General Fidel Castro overthrew the corrupt Bettista regime.

Ever since, Gen Castro has remained the Americans' *bete noire*.

Fears that Grenada would allde into the Cuban, and thus the Russian, orbit have haunted Washington.

President Reagan's motives in ordering the invasion of Grenada were complex: but in the context of the region he was reasserting an unwritten claim to bave the ultimate say in what the U.S. considers its own back-yard.

The political fragmentation of the Caribbean has prevented the evolotion of an indigenous counterweight to external infuences. Caricom alone consists of 13 member states, all fermer British colonies. To that one as to add the remnants of other former empires, such as Martinique and Guadelonpe, which are governed as French *départements*; the formerly Dutch Surinam and several others.

Caricom is the most important in the present context because both Grenada and the states supporting the U.S. invasion are members. Caricom is all that is left of the British intention to set up a West Indian federation when the colonial power withdrew. But the title of community greatly everstates the degree of unity achieved.

The community is supposed to be an area of free trade. But the achievement of this objective bas been bampered by a dispnte surroundong Jamaica's manipulated exchange rate.

The smaller, eastern Caribbean islands have formed their own organisation within Caricom in order to be able to stand up to the larger members. The arrangements include a currency union, but its functioning is impeded by Guyana's arrears within the joint clearing system.

In political terms, too, Caricom is less than united. Of the Big Three—Barbados, Dominica, Trinidad and Tobago—the last has distanced itself from the invasion, though its Government has not hidden its dislike of the un-Parliamentary regimes that bave been in power on Grenada since the late 1970s.

It is a remarkable fact that in the Caribbean the Westminster system of parliamentary government should have lasted as well as it has done: of the Caricom states, enly Grenada has been run withent a parliament. Even in Guyana elections are beld, though the results have a monotonous way of going Mr Burnham's way.

Most of the Caricom states have withstood Cuban infiltration or what passes for it. Cuban workers, advisers and military personnel have been reported from Grenada and Guyana — though it is worth noting that the construction crews on Grenada were working on an airport financed in part from the West. Cubans are also active in formerly Dutch Surinam. Jamaica has thrown out small groups that were there formerly.

These signs of convergence are insufficient to give Caricom a strong impetus. Local nationalisms among this collection of medium-sized, small and tiny islands are too pronounced; economic diversities too great.

The world recession has further diminished the ability of these states to be masters of their ewn region. Their main breadwinners include alumina, bauxite and tourism, all of which have suffered badly from recession; sugar which has suffered from agricultural protection everywhere; and bananas which have been ravaged by hurricanes. Both economically and politically the region will have to continue bending to the winds.

OTHER AMERICAN NEWS

House approves $10.3bn spending cuts

BY STEWART FLEMING IN WASHINGTON

THE HOUSE of Representatives has approved e $10.3bn programme of spending cuts over the next three years bringing to a virtual conclusion the spending side of its budget deficit reducing programme.

The House has yet to take up the issues raised by the $73bn of proposed tax increases over three years which Congress set as its revenue raising target earlier in the year. The tax increases would also be spread over a three year period.

The move by the House was dismissed by Republicans as an anaemic response to the problem created by the prospect of budget deficits of some $200bn a year over the next few years. The Democratic response however is thet so far this is the only effective action that has been taken in Congress, inadequate as it may be.

The outlook for effective measures to reduce the prospective deficits remains clouded. The Senate has yet to draw up its own package of spending and tax measures to achieve the goal which Congress set itself of raising $85bn over the next three years. Until it does even the measures approved by the House of Representatives yesterday cannot come into effect.

Some movement on the Senate side is anticipated soon, however. There are as yet unconfirmed reports that Senator Robert Dole, chairman of the Senate Finance Committee, is on the verge of introducing a major package aimed at cutting the budget in fiscal 1984 and the two subsequent years.

But there are profound reservations in both houses of Congress abont whether there is any real prospect of pushing through measures to raise taxes by $73bn over the next three years, the budget cutting which would eccount for the lions share of the programme.

With Congressional and e Presidential election approaching Congress is thought to be unlikely to undertake such a potentially unpopular step without leadership from the White House.

The White House, for its part, has not yet decided where its priorities lie. There is abundant evidence of unease amongst voters about the danger of the deficits choking off the economic expansion late next year as private and public credit demands clash. But there is strong opposition within the Administration to any initiatives which would raise taxes especially if this were to reduce the incentive for Congress to cut into the spending programmes in the social security sphere which the White House wants.

Jimmy Burns in Buenos Aires on the Peronists' electoral rivals

Radicals give Argentines a choice

EVEN IF the pundits are proved right and he loses in the Argentine elections on Sunday, Sr Raul Alfonsin, the candidate of the Radical Party, will almost certainly be able to claim a historic victory.

The paradox is explained by undisputed evidence suggesting that the Radical Party, thanks to Sr Alfonsin, has emerged as a viable political alternative in Argentina after nearly half a century of political dominance by the party of General Juan Peron.

Yesterday nearly half a million people gathered in the centre of Buenos Aires in the most impressive rally in Radical memory and one of the largest street demonstrations in seven years of military rule. Sr Alfonsin's last public rally in the city in December—when he officially announced that he was running for the presidency—drew a crowd of only 30,000 people. During the country's last election campaign in 1973 the then Radical candidate, Sr Ricardo Balbin, drew crowds ef not more than 17,000 befere losing by a humiliating 24.4 per cent against the Peronists' 61.8 per cent.

It used to be said thet the Peronists were the only ones capable of manipulating the masses end that the Radicals were e somewhat nebulous middle of the road party, strong on rhetorie but poor in their capacity to stir popular emotions and to apply practical programmes.

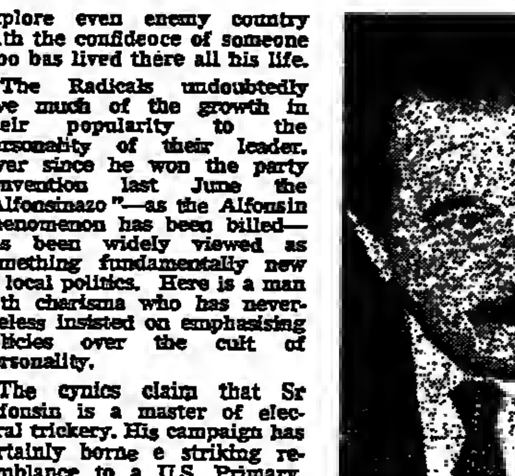
But during the campaign St Alfonsin has managed to explore even enemy country with the confideoce of someone who bas lived there all his life.

The Radicals undoubtedly owe much of the growth in their popularity to the personality of their leader. Ever since he won the party convention last June the "Alfonsinazo"—as the Alfonsin phenomenon has been billed—has been widely viewed as something fundamentally new in local politics. Here is a man with charisma who has nevertheless insisted on emphasising policies over the cult of personality.

The cynics claim that Sr Alfonsin is a master of electoral trickery. His campaign has certainly borne e striking resemblance to a U.S. Primary, complete with balloons, fireworks, pretty women and general razzamatazz. But Sr Alfonsin has distinguished himself in one important respect from his rivals. He has not embodied what certainly has clung to the Peronists: an obsessive and some would say fatal attachment to the past.

This is arguably e point in his favour after seven years during which Argentines have been ruled by the sheer institutional weight ef the armed forces and the escapism of the Peronist mystique.

Sr Alfonsin has no real political past. The left of centre factioo which he formed in 1972 in protest against what be saw as the woolly policies of the party leadership effectively exiled him from the mainstream of politics until last year. He was never given a party post nor elected to parliament. More recently this has proved an asset, as the bulk of political establishment figures has been discredited in the public eye as collaborators of the military regime.



Alfonsin . . . leading Radical candidate

For the past seven years, Sr Alfonsin has worked behind the scenes as a lawyer interceding for people arrested by the authorities and signing several documents accusing the Government of human rights violations.

Among the middle class Sr Alfonsin has been consolidating his support by default and has managed to emerge as undisputed leader. Not so the Peronists who continue to be wracked by internal faction fighting. For those looking for stability as a basis for economic prosperity—a notion dear to the heart of the Argentine middle class—the Peronists now represent uncertainty and potential cheos.

Many Argentines have warmed to Sr Alfonsin's outspoken approach to military and union reform as the best chance the country has of breaking the cycle of ineffective civilian government followed by military coup which has dogged the country for most of its recent history. His defence of human rights—he has promised an investigation into past violetions—has attracted the youth vote.

The Radical economic programme, in its commitment to e mixed economy with e greeter role for the state in planning, is virtually indistinguishable from that of the Peronists. The Radicals have a moderate approach to the foreign debt questien, although they do insist on better terms from the bankers.

Sr Alfonsin has elso spoken boldly of bousing and education projects, of creating job opportunities and curbing inflation through a prices and incomes policy. But bis problem remains that of covering the enormous emotional distance which has traditionally separated his party from the working class.

Peru plans to defer debt

By Peter Montagnon, Euromarkets Correspondent

PERU WILL have to reschedule a further $800m of its medium- and long-term debt maturing between April next year and April 1985, Sr Carlos Rodriguez-Pastor, Economy Minister, said in Lima.

About half the debt is owed to comercial banks and the rest to foreign governments, he said. As this year Peru will also have to extend about $2bn in short-term debt falling due in 1984.

But bankers say that agreement en next year's rescheduling will have to wait until Peru has reached an understanding with the International Monetary Fund on a new economic programme.

Assets ruling

THE U.S. Internal Revenue Service (IRS) was "unquestionably reasonable" in its attempts to seize $90.4m in assets from Clarendon Ltd., the U.S. commodity trading firm which was formerly part of the Swiss-based Marc Rich and Co AG group, a U.S. Federal Court judge has ruled, writes Paul Taylor in New York.

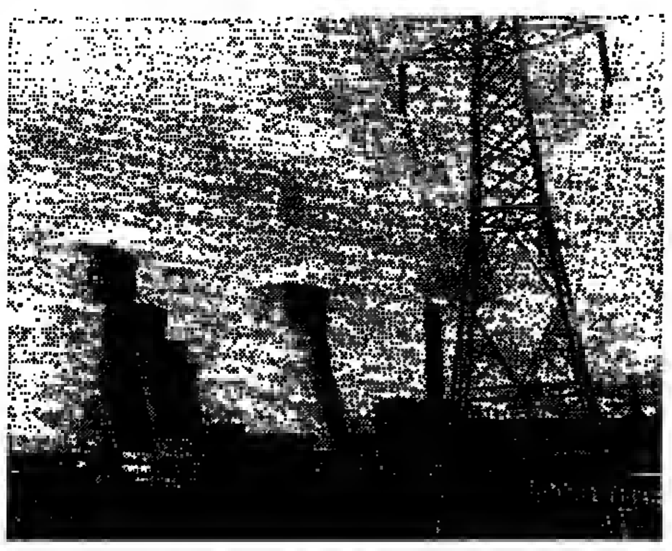
TECHNOLOGY

EDITED BY ALAN CANE

MICROCHIPS PUT TO WORK IN CLEANING COAL FIRED BOILERS

How micros sweep soot away

BY MARK MEREDITH, SCOTTISH CORRESPONDENT



Glyn Genin

Cleaning coal-fired boilers can require up to 150 thermal lances.

LIKE A PINCH of snuff to clear the bead, the innards of coal-fired boilers regularly need to be blasted clean of soot which clings to the pipes carrying water being turned into steam for power.

Sootblowing is a purgative process in which thermal lances blow steam, or sometimes hot air, at parts of the boiler and increase efficiency by up to 10 per cent. But carrying out this process for a boiler producing between 300 and 500Mw of the kind used in large coal-fired power stations — performed while the boiler is under-load—takes on near-comic proportions in its complexity.

There can be between 100 and 150 thermal lances controlled either by hand-turned or electrically powered valves. Part of the boiler is cleared on one shift of workers and then another shift takes over and turns off one set of valves to activate another set. Which tap is on and which off can tax the memory of the most accomplished foreman. He will probably hang a tag on the faulty valve as a reminder.

Soothlowing, seen from its control side, is one of those blindingly obvious and straightforward applications for microelectronics which it seems are only just coming into regular production.

Seel, a Scottish company specialising in microprocessor applications to industry, has recently started to export a control system for soothlowing after a successful trial at the Cockenzie power station of the Sonth of Scotland Electricity Board near Edinburgh.

Under director Dr Derek Pringle and Dr Alan Erasmuson, its technical director, Seel worked out a control system in association with Clydeblowers, a family company in the west of Scotland, which supplies the various types of thermal lances built into boilers.

A control and monitoring system, based on sensors and switches, allows the boiler operator to know the state of the sootblowing process at any one time. He can plan the entire purging process, spot faults, find out the best way around them, and activate the thermal lances from a central console equipped with video display terminal.

A software programme collates all the information and the procedures as well as alarms. Faulty sootblowers can bend or break and damage the inside of the boilers if they are not kept cooler than the internal temperatures of the boilers by steam.

Thermal lances are often retraced by electric motors from the inside of the boiler after use.

The system is still semi-automatic in as much as the operator must activate the sootblowers from the control panel but a simple extension of the software programme could make the seven-to-eight-hour process completely automatic, according to Seel directors.

Seel and Clydeblowers have just exported one of their systems to Spain and foresee a slow but steady market with the revival for coal in power generation. Abont 60 per cent of the equipment is destined for export.

For more information contact: Seel, Young Square, Brucefield Industrial Park, Livingston, West Lothian EH54 9BJ.

PRINTING AUTOMATION

Cheap books by chip control

Machinery (SHM), is a Bristol-based company making paper and packaging machinery. It helped put the paperback books business on an expansion path in the 1950s by developing printing presses which produced books more cheaply, using rubber printing plates and a special low-cost inking system.

A subsidiary of the DRG group, it has been e major force in the book production business ever since, manufacturing high grade presses and associated machinery which are exported all over the world. These days, some 70 per cent of UK and U.S. paperbacks are produced using SHM equipment.

In a potentially significant new development, the company recently supplied two new integrated book printing systems to Europe's largest offset printer. Mohndruck Graphische Betriebe, part of the Bertelsmann group, which promises ultimately to create another important change in the process and costs of book printing.

In essence, SHM has harnessed the microchip to create a flexible book printing system in which paper is fed in et one end of the production line and the complete paperback books emerge at the other, packaged and ready for despatch to distributors.

In the case of hard cover books, typically for book club editions, the system produces book blocks in a similar manner, though casing with hard covers is carried out afterwards.

The new system was initially designed and patented by SHM with a view to satisfying the production requirements of popular, big-selling, books involving high volume runs. Producing 10,000 paperback books or 7,000 hard cover books an hour, it is achieving an overall saving in manufacturing costs of some 20 per cent, compared with conventional off-line printing and separate binding. Unlike other in-line systems produced to date, the new SHM system also enables the size and the width of the book to be varied and the purchaser to choose between either flexographic or web-offset printing.

But even more significantly, Mohndruck has found that the flexibility and cost saving of the system are such that it is also proving economical to use it to produce books involving a print order of as few as 7,000 copies.

The savings arise principally from a sharp reduction in the amount of wasted paper, from lower storage and handling costs, and from a marked reduction in manning.

The traditional method of producing books in sections and binding gives rise to a significant amount of waste paper. This is because to ensure ending up with the required number of perfect copies, an excess number of each section is printed, to avoid the even higher cost of having to set up particular section plates on a press a second time because of imperfections in the first run.

The new SHM system not only eliminates the waste of "overs" and "unders," as they are called, but also reckons to eliminate the danger of missing pages. At the same time, the system automatically throws aside those copies affected by splices in the paper.

With paper going in at one end and books coming out at the other, the costs associated with handling and storing individual sections until they are ready to be brought together for binding is also eliminated. As for manning, in Mohndruck's experience a complete book line from the paper reels to packaging used to require up to 34 personnel . . . . using the new SHM system, the number has been reduced to five.

The new SHM system is not cheap. In practice each line has to be custom-built to suit individual customer's particular printing requirements. Mohndruck's two new lines cost overall in excess of \$5m each. Hence the new system is not going to be edopted by other printers and publishers overnight. For most it would mean writing off costly investments in well-established printing systems prematurely.

ENGINES

UMIST gets funding for diesel work

THE UNIVERSITY of Manchester Institute of Science and Technology has received funding of £100,000 from Volvo, the Swedish car company and the U.S. Army to improve the fuel injection system of diesel engines.

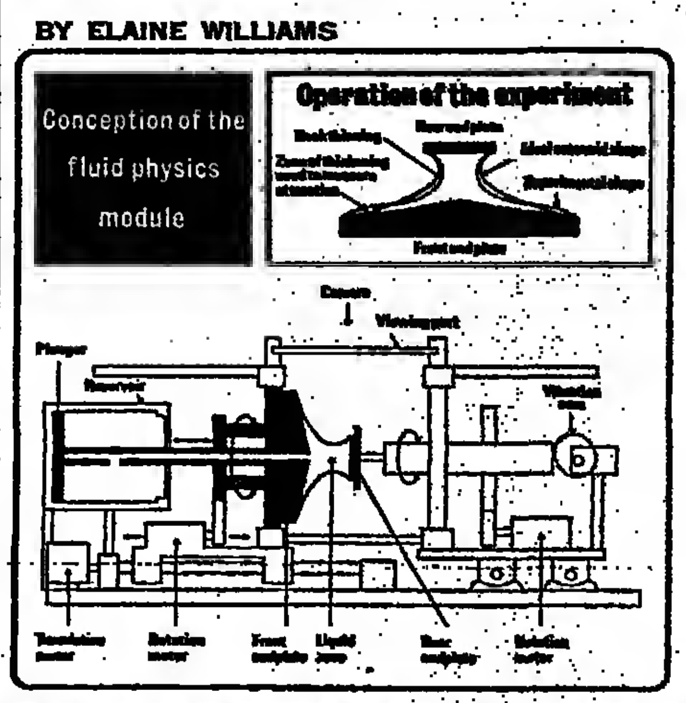
An important aspect of the work will be to make diesel engines come within the stricter EEC pollutant emission standards which are likely to become effective in the near future.

UMIST will be looking at the way in which the fuel is broken down into droplets in complete injection systems and how the different methods of atomising might improve engine technology. More details are available on 061 236 3311.

SPACE RESEARCH

Kodak supports shuttle experiment

BY ELAINE WILLIAMS



ONE OF the industrial Spacelab experiments destined to be launched on the Space Shuttle, belongs to Kodak. The company is interested in understanding interface science. This covers the attraction of a liquid for a solid and what happens at the boundaries between the two surfaces.

The mechanism of interface science is important in the photographic world because films and papers consist of many different thin coatings. Kodak coats its films using a technique of laminar flow whereby different liquid coatings flow side by side over short distances without intermixing. So it is vital to understand how liquids spread out over a surface and the forces which control them.

The Spacelab experiment seeks to measure the weak forces which give rise to the wetting and spreading of liquids on solids. On Earth, these forces are so weak that their measurement is obscured by normal gravitational forces. In space, they become measurable.

The experiment was designed by Dr John Padday of Bristol University and is designated ES-329. Hopefully, the experiment will be run twice during the ten days of the Spacelab mission. Dr Padday is seeking to measure the weak forces and to study how they die away with distance between a liquid and a solid.

Dr Padday hopes to measure the forces by using the shape of a liquid zone as a force measuring device. He has already used a computer to calculate the theoretical zone shape and compare this with the experimental results.

The apparatus creates a liquid zone — using silicone oil as the spreading liquid — between two metal discs. By changing the distance between the discs, the volume of liquid between them changes shape. One particular shape, called a catenoid, has the property of being easily deformed by weak forces but it cannot be produced on earth so that this is the shape which will be attempted in space.

The discs were made at Kodak's Harrow establishment and are of unequal diameter. The largest disc is 10cm in diameter and is slightly cone shaped. It is made of titanium while the smaller aluminium end plate is only 5cm in diameter and serves only to hold the other end of the liquid zone in position. The liquid is injected through a hole in the centre of the larger plate.

Critical to the experiment is the knowledge of the volume of liquid and the precise distance between the plates. During the experiment a sophisticated data camera will measure the different shapes as the experiment proceeds.

Kodak has funded Dr Padday's work since 1976 jointly with the Department of Industry. So far a total of £60,000 has been spent on the project. Originally the budget was £28,000 but delays in the shuttle programme and the three year postponement in the Spacelab flight escalated costs.

Zia's army on the march in Sind

John Elliott, South Asia Correspondent reports from Karachi

TWO RARE agricultural pests called the Army and American Worms are being blamed by landowners in Pakistan's southern province of Sind for the failure this month of part of their cotton crop.

The landowners explain that the Army worm gets its name because it moves across a crop in a regimented line. They quip ruefully about the problem because the crop has been hit at exactly the same time as an estimated 10,000 troops have moved across a 200-mile stretch of the Indus north of Karachi, quelling 75 days of often violent protests in the province.

The protests have been staged against the martial law regime of President Zia ul-Haq, which, political activists claim, is kept in power by the patronage of the U.S. government.

Army, paramilitary and police forces have been active in the Sind in the past week. Intensive action has blunted the weapon of self arrest and mass demonstrations but other protests, including hunger strikes, continue.

But so many of the leaders at all levels of the Movement for the Restoration of Democracy, which is behind the action, are in jail that there are not enough prominent activists to overcome the fear of the army. Landowners who have been active fear vengeance from the Zia regime and are backing off.

"There will now be isolated acts of sabotage and violence reflecting total resentment but no mass upheaval," one prominent leader of the movement told me. "For the time being we are not prepared to do anything more—we have been squashed by the army," said a shop-keeper. "There is no point in taking out processions and getting people killed," said another.

Estimates of total deaths during the time of the demonstrations vary from a Government figure of 52 to the activists' claim of 100 to 450. More than 4,000 people have been arrested.

An important turning point in villagers' attitude came last week when the army attacked a group of villages called Lakhat near the town of Qaziahmed, half way up the troubled area. Estimates of deaths vary from one to 100.

Villagers tell stories of a night-long gun battle in which the army was kept at bay. They say that houses were burned by soldiers at about 10 am. Villagers then fled, and there are claims of extensive burning of houses, looting by a special reserve force run for the government by a pro-Zia landowner called Pirs Pagaora. The stories are denied by the Government.

Helicopters hovered over the village during the battle, leading to stories last week that they had bombed the village. But it appears they were there to supervise and to carry wounded to hospital.

Precise details of what could become a politically significant event are hard to check because the villages are closed to outsiders. Travelling with a Pakistan reporter, I was turned away from a 20-strong armed police blockade. We were also turned away from another village, New Jatal, home of one of Sind's most prominent politicians, Ghulam Mustafa Jatoi.

Overturned and burned tankers and other lorries still lie beside the road, and some sabotage is continuing. Machine-gun posts now guard barracks at all towns and a bridge across the Indus at Moro.

Traffic is checked constantly at road blocks and there is an overwhelming army presence with convoys of up to 30 troop lorries and jeep-mounted machine-guns, and smaller regular patrols.

This army presence is itself fuelling the population's anger, because, behind the demonstrators' political slogans about Zia and democracy, lies a deep resentment about the presence of the army in Sind, both as administrators and as new landowners.

Many of these army people are from the bigger province of the Punjab, itself resented by Sindis for its domination of all levels of government and other public sector organisations, including banks.

The movement is likely to continue in Sind and other provinces. "Even if the army has crushed us, there will be a second uprising if necessary and that will be more deadly," says a leading landowner and politician.

Opec talks today on production quotas

By Michael Field in Vienna

THE Ministerial monitoring committee of Opec meets in Vienna today to discuss the state of the oil market and the production quotas of organisation members.

It is accepted by Opec that members are producing some 1m barrels a day (b/d) above their collective ceiling of 17.5m b/d, and above the level of consumption. But it is not expected that the Ministers will recommend any steps to remove the surplus.

Although oil consumption in the non-Communist world in the last quarter of this year is expected to register little increase over consumption in the same period of 1982, when it ran at 44.8m b/d, demand for stock has recently shown a small increase.

This has been in response to the arrival of Super-Etenard aircraft and Exocet missiles in Iraq and the possibility that oil exports from the Gulf will be stopped by an escalation of the Iran-Iraq war.

Opec's ministers know that the current over-production may result early next year in a big overhang of stocks, which might threaten the $29 a barrel price

The problem with trying to eliminate the surplus production is that it would cause a major battle inside the organisation. Likewise, a raising of the collective ceiling to 18.5m b/d, would cause disputes over the allocation of the "extra" oil

The surplus is contributed mainly by Saudi Arabia, with smaller amounts coming from Iran, Nigeria and, on a minor scale, the United Arab Emirates.

Recent contacts between the ministerial committee and Opec members have led to a consensus that the situation is not serious enough for the committee to recommend an extraordinary full ministerial meeting before the next regular conference, scheduled for December 7 in Geneva.

● Our Middle East Staff writes: Iraq yesterday repeated its warning to Japan that it intends to bomb the Bandar Khomeini petrochemical complex in south-western Iran. Japanese companies have been discussing a resumption of work on the project with the Iranian Government.

Safety fears grow over dual role of Beirut peace troops

BY PATRICK COCKBURN, MIDDLE EAST CORRESPONDENT

MILITARY OFFICERS in the 5,700-strong multi-national force stationed in and around Beirut say that little can be done to improve the security of the men without changing their peace-keeping role.

This bleak assessment came as Mr George Shultz, U.S. Secretary of State, prepared to visit French, British and Italian Foreign Ministers in Paris today to discuss the security of their national contingents in the aftermath of last Sunday's bomb attack which left at least 216 marines and 47 French paratroopers dead.

Officers see the danger facing their men as springing from their twin missions as a peace-keeping force and a symbol of international support for the Lebanese Government of President Amin Gemayel.

Although earthen embankments and other obstacles are being hastily erected to try to prevent any further suicide attacks, senior officers say there is a limit to what they can do.

"We could put a Maginot Line around us, but our mission is not to make ourselves invulnerable," said the U.S. marine official spokesman yesterday. "We are symbols here of our government like a flag or a building."

The 110-strong British detachment, housed in a vulnerable five storey apartment block in south-east Beirut, also sees its role as essentially symbolic, requiring a high profile.

The difficulty is that by shelling Druze and Syrian artillery emplacements in defence of the Lebanese army in September, the U.S. marines are seen by the opposition in Lebanon and its Syrian allies as being the main support of the Government.

The 2,100 Italian troops in the force, the largest single contingent, still drive around in military vehicles painted white and, in practice, are simply peace-keepers. They had suffered only one fatality since arriving last year, compared with 16 French soldiers dead prior to last Sunday's bombs.

The contradictory aims of the multinational force, to act both as a neutral peace-keeping force and simultaneously the chief military ally of President Gemayel, means that it cannot carry out either task effectively, say diplomats.

The force is not now considered as neutral by most Moslem Lebanese, but if it was to make its own security tighter, it would have to move men on to the ridgeline above Beirut which is held by Druze militiamen, supported by Syrian artillery.

Israel accuses Syria

BY OUR MIDDLE EAST STAFF

MR YITZHAK SHAMIR, the Israeli Prime Minister, yesterday accused Syria of responsibility for the bombings.

It was the first time than an Israeli leader had publicly pointed to Syria directly. Speaking to a meeting of Jewish fundraisers, Mr Shamir said: "Israel knows that behind the bombing stands Syria, and terrorists acting under Soviet patronage."

Mr Shamir added that he expected to hold talks within the next few weeks with President Ronald Reagan and Mr George Shultz, the U.S. Secretary of State, "to discuss ways of speeding-up the peace process in our area."

Mr Caspar Weinberger, the U.S. Defence Secretary, also indicated yesterday that he believed there was a degree of Syrian complicity. "I find it very difficult to believe that anything of that kind could have taken place without at least Syrian consent," he said.

Reports from Damascus yesterday suggested that Syria had placed its armed forces on an increased level of readiness, in reaction to the Israeli and U.S. accusations. Syria has denied any responsibility for the bombings and said that U.S. support for Israeli expansionist policies had denied it any peacekeeping role.

Agreement on Moroccan rescheduling

By Francis Ghilès

MOROCCO'S leading Western creditors have agreed to reschedule 85 per cent of the $1.15bn-worth of government-to-government debt owed by the North African Kingdom which falls due between September 1 1983 and December 31 1984 over eight years with a four-year grace period.

Of the $980m which will thus be rescheduled, 44 per cent falls due in 1983, the balance in 1984.

The agreement reached in Paris does not include Arab governments, but they are expected to reschedule 85 per cent of the $350m in principal and interest repayments owed to them by Morocco, at a meeting in early November.

That will be followed by an aid donors meeting, which will include European, North American and Arab aid donors. There will then be a further gathering at which the steering committee set up last month by international banks in Rabat will confirm that the banks are prepared to reschedule all the principal repayments due from Morocco over the same 18-month period.

Peking and Moscow mend few fences

By Mark Baker in Peking

CHINA and the Soviet Union have ended a third round of intensive consultations without making any apparent progress on the main obstacles to improving their relationship.

It is believed that general agreement has been reached on increasing bilateral trade, small-scale student exchanges and limited scientific and technical co-operation.

But the talks, which extended over more than two weeks in Peking, appear to have failed to make any impression on the three issues which China says are barriers to a return to normal relations.

These are Soviet support for the Vietnamese occupation of Kampuchea, the invasion of Afghanistan and Soviet military activity along their common borders.

The chief Soviet negotiator, vice-Foreign Minister Leonid Ilyichev, is expected to meet the Chinese Foreign Minister, Mr Wu Xueqian, today. But this is likely to be no more than a courtesy call following the pattern of previous meetings.

Embattled Zambia goes to 'one-party' polls today

BY MICHAEL HOLMAN, LUSAKA CORRESPONDENT

ZAMBIANS go to the polls today for presidential and parliamentary elections against a background of continuing economic difficulties that have seen real per capita gross domestic product fall to half its level at independence in 1964.

The main cause has been the continuing slump in the price of copper, source of more than 90 per cent of export earnings, forcing government into a series of austerity measures drawn up in consultation with the International Monetary Fund (IMF).

If Zambia was a multi-party state, opposition parties would fasten on the Government's management of the economy, the strained relations with the trade unions, massive unemployment and the merits of Socialist policies given the name "humanism" by President Kenneth Kaunda.

These, however, and other issues, have barely surfaced, if at all, in an election run-up which concentrated on the need to support Dr Kaunda, who is seeking endorsement as the sole candidate of the ruling United National Independence Party (UNIP), the only legal party.

Campaign posters, slogans and speeches have emphasised the "peace and stability" enjoyed by the country under Dr Kaunda's leadership, despite the turmoil in the region — notably during the wars of independence in neighbouring Angola, Mozambique and Rhodesia (now Zimbabwe).

Given that Dr Kaunda's re-election is a foregone conclusion, the interest in the presidential poll is the level of turnout among the 2.4m voters, and the numbers who choose to vote "no" rather than "yes" to his candidacy.

In the last elections, in 1978, when the country's economic plight was exacerbated by Rhodesian cross-border raids against guerrilla camps in Zambia, 65 per cent of the electorate voted, with an 80 per cent "yes".

The turnout was the outcome of a vigorous UNIP campaign to overcome the post-independence apathy which had seen the figure fall from 94 per cent at independence elections to 40 per cent in 1973, the first poll after the introduction of a one-party state.

Whether in the face of widespread voter indifference, UNIP can again get voters into the booths remains to be seen.

Nakasone fails to break Tokyo deadlock

By Jurek Martin in Tokyo

MR YASUHIRO NAKASONE, the Japanese Prime Minister, and senior members of his governing party yesterday failed in an initial attempt to break the two-week Japanese political stalemate. Another session has been scheduled for today.

Mr Nakasone, Mr Susumu Nikaido, secretary-general of the Liberal Democratic Party, and three colleagues did agree to propose that a special Diet advisory panel be created to examine the question of "political ethics"—in other words, what lessons can be drawn from the conviction two weeks ago in the Lockheed bribery case of former Prime Minister Kakuei Tanaka.

But they did not apparently agree on the details of how the Diet can be brought back into session and the Opposition boycott broken or simply ignored.

However, it was announced that Chancellor Helmut Kohl of West Germany would address the Diet next Wednesday in a special session which the Opposition could attend, out of respect for a visiting head of government.

Saudi petrochemicals must be sold at fair prices, says Regan

BY CARLA RAPOPORT

MR DONALD REGAN, the U.S. Treasury Secretary, has warned that Saudi Arabian petrochemical products will not be allowed into the U.S. unless they are sold at similar prices to U.S. products.

Mr Regan's comments are the first shot in what promises to be a bitter struggle between Saudi Arabia and leaders in the U.S. and Europe over Saudi petrochemical exports.

"While we are for free trade and we want people to be able to sell in our market, we also have to make sure that it is fair trade," said Mr Regan in Riyadh yesterday.

"By fair trade, we mean no subsidies and no underselling of our producers by unfair means," he added.

Mr Regan made his comments to reporters following the eighth annual meeting of the Saudi-U.S. Joint Commission on Economic Co-operation in Riyadh.

Saudi Arabia is currently building nine major petrochemical plants, which are due to be on stream by 1985. The country's output of ethylene, the basic petrochemical used in making most plastics and resins, is expected to account for about 5 per cent of world ethylene production by the late 1980s.

Most of the plants are being built as joint ventures. The partners include Mobil and Exxon of the U.S. and a Japanese consortium including Mitsubishi Chemical. These plants will also produce ethylene glycol, and low and high density polyethylene.

The world petrochemical industry is currently suffering from excess production capacity and reduced demand for many products throughout Europe and U.S. In recent months, a number of chemical industry leaders have called for further capacity cuts to be better prepared for the arrival of new competitors, such as Saudi Arabia.

Mr Regan said yesterday that the Kingdom was to retain its most-favoured nation status in the U.S. The current 4 per cent U.S. tariff on petrochemical products was "supposed to drop down to 2 per cent in a year or two," he said.

"If they (Saudi Arabia) can undersell the U.S. by fair means, that's perfectly all right," he said. "But it has to be in an open and above-board manner," he said.

Airlines plan to set up own insurance fund

BY MICHAEL DONNE IN NEW DELHI

THE world's airlines are planning to set up their own insurance company to cover what they call "business insurance." The proposal was put forward in the closing sessions of the International Air Transport Association's annual meeting in New Delhi.

The airlines want to cover themselves against losses arising when buildings, aircraft, computer reservations systems or other facilities are rendered unserviceable thereby causing a disruption of activities.

While the direct damage caused to such facilities by say fire would be covered by normal insurance policies, revenues lost from the resulting disruption of services would not be covered and so would be a direct drain on the airlines' finances. It is to cover this loophole that the airlines are now studying the new scheme.

It would be run by the airline industry's own "mutual insurance fund" using a company set up some time ago in Bermuda when the industry was considering looking after its own insurance needs. All members of IATA subscribe to the mutual fund.

In recent years there has been a substantial growth in airline losses from normally non-insured activities such as strikes which have resulted in equipment damage.

Precise details of the scheme still need to be worked out, but the industry believes an acceptable scheme could be in operation by the summer.

Australia criticises Tokyo over contracts

By Michael Thompson-Noel in Sydney

MR BOB HAWKE, the Australian Prime Minister, was sharply critical last night of Japanese iron and coal buyers who were not fulfilling long-term contracts with Australian producers.

He said it was a "matter for regret and real concern" that Japan had not fully honoured its commitments.

Japan is Australia's main trading partner, the links between them being the most important in Western Pacific trade.

"The pattern of increased Japanese investment in alternative raw material resources and iron and steel production could threaten the share of the Japanese market available to more efficient Australian raw material producers," said the Prime Minister.

It was Mr Hawke's strongest pronouncement on trade since the Labor Government's election last March. He said long-term contracts with Australian suppliers had been severely reduced.

Mr Mark Rayner, chief executive of Comalco, the Australian integrated aluminium producer, recently told a symposium in Japan that "optimistic" forecasts of Japanese energy and other resource needs had produced excess of capacity, particularly in iron ore and coal.

Mr Barry Jones, the Australian Science and Technology Minister, warned recently that this year, Japan would have a trade surplus with Australia for the first time because Japanese exports were increasingly in goods which require small quantities of raw materials.

Malta in $52m Libyan deal

By Godfrey Grima in Malta

MEDELEC Switchgear has won a $52m (£34.7m) contract from Libya's General Electricity Secretariat for the supply of electricity distribution substations and transformers.

Medelec which was set up in Malta in 1977 is predominantly owned by Libyan interests. Shareholders, however, include Britain's GEC and the Maltese Government.

U.S. rises to Japan's industrial challenge

BY STEWART FLEMING IN WASHINGTON

"THE FIRST U.S. baseball bat has yet to make it through the approval process for importation to Japan" one Reagan Administration official remarked last week in a discussion of U.S.-Japanese trade relations.

The remark, referring to the celebrated Japanese import controls on U.S. manufactured baseball bats—controls which contrast so oddly with U.S. imports of Japanese manufactured baseball equipment—serves to underline the continued frustration within parts of the Administration at the slow progress which has been made in trade talks during the almost three years since Mr Reagan took office as President.

As Ms Joanna Shelton, a special assistant to the U.S. Treasury Secretary, put it at a briefing this week organised by the John Hopkins School of Advanced International Studies," the fundamental cause of concern is that Japan has been perceived to have become such a strong international competitor, and this is coupled with the perception that Japanese markets are closed to imports."

Today Mr William Brock, the U.S. Special Trade Representative, leaves Washington for Japan with the aim of trying to push the trade talks on in preparation for President Reagan's visit there next month. The fact that Mr Brock is going (there have been doubts in recent weeks about whether the trip would take place) is being interpreted as a sign that some progress is at hand, with speculation centring on the announcement by Japan of a fourth year of "voluntary restraint" on car exports to the U.S.

U.S.-JAPAN TRADE

	U.S. exports	(of which manufactured goods)	U.S. imports	(of which manufactured goods)	U.S. trade deficit
	(in $bn)				
1979	17.3	(7.0)	26.3	(25.7)	9.0
1980	20.5	(8.6)	30.7	(30.0)	10.2
1981	21.3	(9.5)	37.5	(36.8)	16.2
1982	20.4	(9.4)	37.4	(36.8)	17.0
1983 (Jan.-Aug.)	13.4	(6.4)	26.1	(25.6)	12.7

In spite of this prospect, and the fact that such an announcement would be just the latest in a long series of trade measures aimed at blunting Japan's competitive edge, some U.S. trade officials are still projecting a mood of dissatisfaction with what are seen as the modest successes of the past few years.

After running through a list of bilateral trade issues currently under discussion—a list ranging from forest products and high technology goods to agricultural products and tobacco, one official remarked last week: "Despite all these efforts that have been put in over the past seven years there has been very little movement. The Japanese are as intransigent as ever."

No doubt the dissatisfaction owes something to both the imminent negotiations and the looming Presidential election. "President Reagan," one official remarked last week "has to look like he is dealing successfully with the Japanese." In practical terms, that means, so far as trade is concerned, demonstrating that Democratic Party challengers for his job, with their calls for a U.S. "industrial policy," do not have all the answers when it comes to looking after decaying industries such as steel, convalescing ones like cars and high technology industries which are increasingly feeling the heat of Japanese competition.

Alongside such political considerations, the soaring U.S. trade deficit with Japan, expected by the Commerce Department to reach around $22bn (£14.6bn) this year is both something of a humiliation for a country which sees itself as the world's leading industrial nation, and a growing source of concern to supporters of free trade. The realisation that the trade deficit will almost certainly widen further next year, unless there is a dramatic movement in exchange rates and an unexpected downturn in the U.S. economy, is leading supporters of free trade to warn that, at least so far as Japan is concerned, protectionist sentiment in the U.S. may not abate with the economic recovery.

While there is continuing economic and political concern about the immediate implications of the soaring bilateral trade deficit there has also been growing recognition that a defensive posture aimed at limiting the damage to uncompetitive industries is an inadequate and potentially dangerous approach to the industrial challenge posed by Japan. This can be seen in part in the increased emphasis which, for example, car manufacturers such as Ford have put on quality in their production. But it is most striking in the field of high-technology products. As Professor Robert Reich of Harvard University, a man who has been leading the industrial policy debate in the U.S. puts it:

"The fear has been expressed repeatedly by the White House scientific staff that we cannot afford to let a foreign country, especially not Japan, dominate in any technology which could be strategically important."

The growing preoccupation within both the U.S. Government and industry with what Japan is doing in the high technology field was underlined in a recent report by the General Accounting Office of the U.S. "Assessment of Bilateral Telecommunications Agreements with Japan." The report analyses the progress which has been made under a three-year agreement which came into effect at the beginning of 1981 and which was designed to open up Nippon Telephone and Telegraph (NTT), Japan's Government-owned telecommunications company, as a market for non-Japanese equipment.

While the study makes it clear that progress has been slow, and reports on some crass efforts by U.S. companies to use political pressure to sell equipment to NTT, what comes out most clearly is the intense interest within some of the most advanced companies in getting into the NTT procurement system.

In part this is put down to the prospective $120bn programme which NTT has announced for the modernisation of its network, upgrading it into a broad band digital system. U.S. telecommunications sales to NTT are running at not much more than $38m a year (1982) compered with 10 times that volume of Japanese sales to U.S. telecommunications companies.

But the GAO study makes it clear too that "access to the NTT procurement is important to the international competitiveness of the U.S. telecommunications industry" because "NTT is a generator of important technology for Japanese firms in the computer and semiconductor as well as the telecommunications industries."

It is partly in this context of a growing admiration in the U.S. for Japanese technology, as well as on account of the worrying imbalance on the trade accounts, that U.S. pressure for greater access to Japanese markets needs to be seen.

Export credit for Botswana signed by Morgan Grenfell

BY OUR FOREIGN STAFF

AN EXPORT credit totalling £12.7m has been signed in Botswana by Morgan Grenfell, the British merchant bank, to help finance the supply of three turbine generators for the country's new power station at Morupule.

The 33Mw turbines are being built by NEI Parsons for the coal-fired power station, which will double the generating capacity of Botswana, and provide a vital link between the grid systems in the north and south of the country.

The credit is backed by the British Export Credits Guarantee Department, and constitutes the first ever ECGD-backed sterling buyer credit facility for Botswana.

Banks participating in the loan include Credit Lyonnais, Midland Bank and Morgan Grenfell.

It is also the first British "credit mixte" package for Botswana, because it is associated with an aid programme provided by the Overseas Development Administration.

Pretoria to lift import controls on fertiliser

By J. D. F. Jones in Johannesburg

SOUTH AFRICA is to start phasing out import controls on fertiliser and lift price controls from next year, according to Dr Dawie de Villiers, Minister of Industries, Commerce and Tourism.

Speaking in Pretoria yesterday, the Minister said a committee of inquiry into the fertiliser industry had found that the most effective way of keeping fertiliser prices at a reasonable level was through the development of free enterprise in the industry.

Exxon transfers 10 ships to flag of Bahamas

BY NICKI KELLY IN NASSAU

TEN TANKERS, representing one-third of Exxon's Liberian-registered fleet, have been transferred to the Bahamanian flag. The ships, totalling 1.5m gross tons, have tripled the tonnage on the register from 800,000 to 2.5m gross tons and raised the Bahamas to third place among the world's major free flag countries.

In New York, Exxon said it wanted to diversify the registration of its ships, some of which are also registered in Panama. The Bahamas was selected following an extensive study of all maritime countries.

Mr Philip Bethel, the Bahamas' Minister of Transport, was optimistic that Exxon's example would be followed by other U.S. shipping companies.

The Bahamas converted to free flag status in 1976 but did not emerge as a serious contender until the Liberian coup three years ago. Over the past year, it has launched an intensive campaign to attract U.S. shipowners.

UK NEWS

Union Bill aims at ballot-based democracy

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE TRADE Union Bill, published yesterday proposes a large-scale expansion of ballot-based democracy within trade unions in pursuit of the Government's intention to "hand unions back to their members."

Legislation will allow all union members the rights directly to elect their leaderships, to vote on any industrial action which involves a breach of their contract of employment and to determine whether or not their unions should retain a political fund.

Failure by union leaders to observe these provisions will lay them open to civil action by their members or – in the case of ballots on industrial action – loss of immunities where industrial action is taken.

The Bill is framed, in some respects, more loosely than the unions had feared – partly in response to Trades Union Congress (TUC) objections. There is, for example, provision made for regional and trade or other group balloting for executive seats, there is no necessity for a postal ballot and provided all members are able to vote, ballots on industrial action need not attract a majority for any subsequent action to be lawful. They merely have been held.

However, the provisions of the Bill will force unions to take action soon after it becomes law – a sharp difference from the 1980 and 1982 Employment Acts, which remain largely untested.

Union leaderships must be elected by ballot within six months of Royal Assent being given to the Bill while a ballot on political funds must be held within a year, if the union is not to face almost certain legal challenge.

Ballots on industrial action must precede any lawful action immediately the Bill is passed – a requirement which will throw some strain on many unions' organisation and funds.

Mr Tom King, the Employment Secretary, said that the 1980 Employment Act's provision for refunding costs of postal ballots applied to all the ballots proposed in the present Bill – but only if they were conducted by post.

Discussions continue between Mr King and the TUC on the individual political levy, though fears remain that the provision for balloting on political funds may deprive the Labour Party of a significant part of its income.

The Government is aware of this possibility – and may be moved to examine the issue of party funding if Labour suffers a cash crisis as a consequence.

Sir Terence Beckett, director general of the confederation of British industry said the Bill was fair and reasonable and employers supported it. "Taken as a whole I believe the Bill will help promote a proper balance between the right of individual union members and the need to intervene as little as possible in how unions conduct their own affairs," he said.

"There is one omission which we shall be examining closely in the weeks ahead. There is no provision for ballots on industrial action which does not involve a breach of contract – such as an overtime ban or working to rule. We would still like the Government to consider whether there is a way in which balloting on this type of industrial action – as well as strikes – could be covered.

"But the three main areas with which the Bill deals – trade union elections, ballots before strikes and payments to political funds – are the proper subject of legislation and we believe it will help promote responsibility and stability in industrial relations and thus contribute to improved business competitiveness."

Mr Len Murray, the TUC general secretary, said the Government had "ignored the realities of industrial relations and trade union affairs, preferring dogma to common sense."

Powerful little Bill, Page 18

Current account up to £270m surplus

BY ROBIN PAULEY

BRITAIN'S balance of payments current account recorded a £270m surplus in September compared with only £22m in August and a £190m deficit in July.

Yesterday's Trade and Industry Department figures show that, contrary to market expectations, September was this year's best month for exports at £5.214bn, with imports amounting to £5.104bn. Trade in goods was, therefore, £110m in surplus, making September only the second month with a surplus on visible trade this year.

Nevertheless, the picture behind this year of erratic trade figures remains fairly bleak. The total current account surplus this year is only £568m, leaving another £1bn to be found in three months if the Government's 1983 budget forecast of a £1.5bn surplus is to be realised.

Throughout the year the economic recovery, led by a consumer boom, has sucked in more imports than expected, leaving domestic manufacturers with weaker order books than a period of rapid growth would suggest. Exports, other than oil, have failed to perform, partly because of sterling's persistently high value.

The third quarter has been better than the earlier part of the year. There was still an overall deficit on visible trade but it was down to £378m compared with a £854m deficit in the second quarter.

Only oil exports prevent the figures from looking much worse. The current balance on non-oil trade showed a £1.96bn deficit in the first quarter, a £2.14bn deficit in the second and a £1.9bn deficit in the third. Oil recorded surpluses of £1.76bn in the first quarter, £1.5bn in the second and £1.54bn in the third.

The improvement in exports, up £288m or 6 per cent on August, was mainly due to a rise of £70m in oil exports, £70m in precious stones, £50m in aircraft and about £85m in cars and trucks.

Total imports were a net £40m above their August level. This was accounted for by an increase of £105m in oil imports and a £55m increase in imported precious stones and aircraft but these figures were offset by a £90m drop in imported consumer goods.

Invisibles such as banking and insurance continue to run a surplus estimated at around £100m a month.

BALANCE OF PAYMENTS – CURRENT ACCOUNT
£m seasonally adjusted

	Current Balance	Visible Balance Oil	Visible Balance Non-oil	Invisible Balance
1981	+6547	+3112	− 104	+3539
1982	+5428	+4605	−2486	+3309
1983 Q1	+ 779	+1764	−1958	+ 973
Q2	− 313	+1490	−2144	+ 341
Q3	+ 102	+1538	−1916	+ 480
Apr	− 196	+ 485	− 795	+ 114
May	− 393	+ 420	− 926	+ 113
Jun	+ 276	+ 585	− 423	+ 114
Jul	− 190	+ 440	− 790	+ 160
Aug	+ 22	+ 569	− 707	+ 160
Sep	+ 270	+ 529	− 419	+ 160

Property groups begin £300m merger talks

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

SLOUGH ESTATES has moved to consolidate its position as the UK's largest industrial property development and investment group by opening merger talks with two other publicly quoted property companies.

The group revealed yesterday that it is talking to Allnatt London Properties, which has an extensive but ageing portfolio of industrial properties in the London area, and Guildhall Property, another industrial developer in which Allnatt has a 39.3 per cent stake.

If a merger is agreed, the newly-formed group will have a combined market capitalisation of nearly £300m.

Allnatt is headed by Mr Leslie Smith, chairman and managing director, and has for some time been seen as a leading takeover target in the property sector. The group, in which the directors control nearly 57 per cent of the equity, owns more than 5m sq ft of industrial and warehousing property.

In the year to March 31, Allnatt recorded pre-tax profits of £9.4m. A portfolio revaluation – the first external exercise for 20 years – revealed an open market value of over £134m and a net asset value of 289p per share. Guildhall's properties were valued this year at £15m.

Brengreen bid fails

BRENGREEN, the office cleaning and refuse collection group, has failed to win control of Sunlight Service Group, the laundry and linen hire company. Brengreen admitted yesterday that its £35m offer in a long-drawn-out acquisition battle had been accepted by holders of only 13.9 per cent of Sunlight's shares.

Having acquired only 7.5 per cent of Sunlight in the stock market, Brengreen was forced to withdraw yesterday holding an aggregate of 21.4 per cent of the equity.

● IMPERIAL CHEMICAL Industries (ICI) pharmaceutical division has joined the ranks of the world's top 10 most profitable pharmaceutical companies. In a ranking to be published shortly by Scrip, the pharmaceutical newsletter, ICI's business appears as tenth most profitable, measured by operating profits as a percentage of sales. This puts ICI ahead of both Hoffmann-La Roche of Switzerland and Bayer of West Germany.

● BRITISH TELECOM unions intensified their anti-privatisation campaign yesterday by staging a one-day strike at a central London exchange and re-starting industrial action against government targets for the first time since the general election. Operator-connected telephone and telex calls were disrupted.

● SHELL UK yesterday won a High Court injunction to halt secondary picketing by strikers from its biggest oil refinery at Stanlow, Cheshire.

The injunction will be served today workers who have picketed a distribution terminal, 26 miles from the refinery.

UK NEWS

Steel swap plan under review

By Mark Meredith

SENIOR MANAGERS of British Steel Corporation and U.S. Steel are due to meet in Pittsburgh later this week to review their protracted negotiations on a "steel swap."

Under the proposal, crude steel from British Steel's Ravenscraig works in Scotland would be shipped to U.S. Steel's Fairless works in Pennsylvania for finishing.

The deal would involve ending finishing work at Ravenscraig as well as primary steelmaking at Fairless, elements which have produced widescale political opposition in both countries because of the redundancies involved.

Mr David Roderick, U.S. Steel's chairman, has given the project only a 50–50 chance of success, and told reporters attending the International Iron and Steel Institute meeting in Vienna earlier this month that the joint venture would be abandoned if no agreement was reached by the end of November.

Managers at U.S. Steel said they expected a high-level meeting this week, although British Steel could not say whether Mr Robert Haslam, its new chairman, would attend.

Finance for the project has been a further source of disagreement. British Steel has refused to accept U.S. Steel's demands for an investment of £405m in the venture.

British Steel representatives have been in Pittsburgh this week and it is possible that revised estimates of the financial stake by both sides have been discussed.

Political opposition in Scotland to the deal remains considerable. Trade unions at Ravenscraig have said they consider the venture is now dead.

The deal appears to have lost some of its momentum with the departure of Mr Ian MacGregor as chairman. Mr MacGregor, who was instrumental in thinking up the plan, is now chairman of the National Coal Board.

Job hopes worsen for long-term unemployed

BY PHILIP BASSETT, LABOUR CORRESPONDENT

ONE-THIRD of Britain's long-term unemployed now consider themselves to be permanently out of the job market, according to a study published yesterday by the Department of Employment.

About 14 per cent of the male long-term unemployed, and 8 per cent of the women, are shown to have been unemployed for more than five years. The median period of long-term unemployment was 2.4 years for men, and about two years for women.

The study's, results based on surveys taken in early 1980 and late 1981, are related to much lower levels of long-term unemployment than at present. Then, it was only about 300,000, while now it is about 1m, but the survey concludes that if anything, this has made worse the overall employment prospects of the long-term unemployed.

Full results of the survey, conducted for the Department by the Policy Studies Institute, will not be published until next month, but a summary published yesterday clearly identifies a group of people who now consider themselves to be out of the job market – and says that the size of this group is growing.

Overall, the size of the group grew from about 25 per cent of the long-term unemployed at the time of the first survey, to about a third in the following year.

Age was the greatest influence in giving up the search for work. About 85 per cent of those giving up all job hopes were over 45.

Many of these older workers came straight into unemployment from a long-lasting, stable job, and the study notes that those with the most substantial employment history proved to be the most likely to give up the search for work once they became unemployed.

"Their lack of effort in seeking work was not because of any disinclination to work, but because the possibility of employment was not regarded as realistic," the study says.

The study also identifies certain characteristics of the long-term unemployed. They tend to be older, have fewer dependants, lower educational attainments, slightly above average disability levels, and a degree of downward mobility in the level of their jobs before becoming unemployed.

TUC threatens to suspend printers' union

By Our Labour Correspondent

THE TRADES Union Congress (TUC) formally confirmed yesterday that it would suspend the general print union, Sogat '82, next Thursday unless the union's executive obeys a TUC ruling to hand back 800 electricians on national newspapers to their original union, the Electrical and Plumbing Trades Union.

The feeling among members of the TUC general council is that, faced with suspension, Sogat '82 will comply when its executive meets next Wednesday. They acknowledge, however, that Mr Bill Keys, Sogat '82 general secretary, will have a difficult job persuading the executive to accept his own view that the union should co-operate with the TUC.

If Sogat '82 was suspended, the national newspaper electricians might find the industry's closed shop agreement, requiring trade union membership, being applied against them.

Mr Sean Geraghty, secretary of the breakaway group, warned that if this happened "it would be a problem for the employers." This was taken to be a thinly veiled reference to the likelihood of disruptive action being taken in national newspapers.

Mr Len Murray, TUC general secretary, asked Sogat '82 to accept the ruling on its merits, and out of loyalty to the TUC, and with regard to the need for unity in the trade union movement.

New moves to clamp down on financial fraud

By John Moore, City Correspondent, in London

NEW MEASURES for more effective detection and prosecution of fraud in the City of London may soon be announced by the Government.

Mr Alex Fletcher, minister responsible for corporate and consumer affairs at the Department of Trade and Industry told a London conference on financial markets and self-regulation that there had been complaints in recent years that it was too easy to get away with fraud in the City of London.

"I acknowledge that there is a problem and I can assure you that the Government is looking at it very closely. I hope that it may be possible to announce some further measures before long."

Mr Robin Stormonth-Darling, chairman of the Stock Exchange quotations committee, and Mr John Hignett, director general of the Takeover Panel and the Council for the Securities Industry, warned that the balance of statutory and self-regulation in the City might change because of directives of the European community.

Mr Hignett said that three EEC directives concerning the listing of companies on the Stock Exchange were all due to be implemented in the UK by the end of June this year. Each directive required the appointment of a competent authority in the UK.

"Recent legal advice has, however, been to the effect that the substance of the directives will have to be given statutory force. The question under current consideration," said Mr Hignett, "is whether this should be achieved by statutory instrument under the European Communities Act or by fresh primary legislation."

There had been some suggestion that the directives should be applied informally.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Why Mr Peters has designs on the market

BY ALAN BREW

TODAY Michael Peters unveils what should be his packaging masterpiece. His graphics design consultancy, Michael Peters and Partners, which made its name winning awards for packaging tubes of paint and frozen cheesecake, is coming to the unlisted securities market armed with a prospectus designed in its own studio.

Peter promises something pretty unusual. "It will be a big surprise," he says. "A unique way of explaining a business that isn't dull and dreary."

It will have to be if he is to convince tha sceptics in the City of London that design is not just a question of making thinga look prettier but also a way of making them sell.

Peters has already impressed observers with his packaging innovations but his track record in retailing design—tha very area into which ha wants to expand with the belp of £600,000 of new mooey—leaves many less enthusiastic.

There could not be a better time, however, for a design business to go public. The record of Sir Terence Conran and his recent business coups has done much to polish tha stock market image of such a nebulous concept as design. And the industry is still basking in the warm glow of approval granted last year by Mrs Thatcher wbeo she emphasised the importance of design for British industry.

"She doesn't know quite what she has done for us," saya Peters, peering confidentially over his tinted spectacles.

The 42-year-old Peters has moved to the forefront of British design with his work for Winsor and Newton artists' materials, Birds Eye, Walls processed meats, Batchelors packet soups and Elsenham preserves.

Michael Peters: obsessed with detail

He doesn't believe in change for change's sake — and he has no apparent design formula. Each solution is unique; but each bears a discernible Michael Peters trade mark — a clever and often lavish use of meticulous detail.

"It has been said that I am obsessed with detail," he says, "and I don't deny it." He lovingly points out delicate scroll work on a bottle of Penhaligons toilet water, which, together with precise typography and elegant box livery, conspire to produce exactly the right period flavour for the Covent Garden, London, perfumier.

Warming to his subject he picks up a box of Youngs seafood. "Here's a different sort of detail."

The essence of his work is the attempt to feast the eye with detail. "I want people to feel they are getting value when they buy a product," he says. "I want to see their eyes salivate."

While Peters' brief to designers is always that each solution to the challenge of wrapping a product, service or idea must be an award winner, he stresses that it must also sell. That is the real pay-off.

It has sold remarkably well so far for the 13-year-old design business. Turnover has increased at a healthy rate over the last five years and doubled since 1981 to reach £1.86m to the end of June, producing pre-tax profits of £329,000.

Such a rapid growth rate obviously raises questions about the company's human resources. Peters has created a company in his own image—creative, original and enthusastic—but it still has to be managed. About 80 per cent of the business is represented by the Michael Peters mainstream activity of packaging and retail design. The rest consists of four offshoots — Hawkeye Studios, Brand New (Product Origination), Annual Reports and Logoptics.

The main investment has been in people. A young and distinctly trendy staff has been increased by 25 per cent over the past two years and now numbers 53. Growth has been in retail design, with Rob Davie from Fitch and Company (one of only two other quoted design companies) the best known recent recruit.

Much of the weight falls on the shoulders of Robert Silver, the firm's non-executive financial director. He is chalk to Peters' cheese, dressed in a blue pin-stripe suit and a sober blue tie. Peters, for example, can tell you where the business is going; Silver could tell you where it is not — like to the U.S. "The time is not ready yet," he says.

Silver disarmingly attributes Peters' near financial crisis in 1974 partly to bad management — a combination of bad debts, the acquisition of the firm's present premises in Notting Hill Gate, and a tendency to expand too quickly. Silver was brought in as a financial consultant to clear it up.

The other main hand on the business tiller is that of Pamela Conway, tha 41-year-old managing director of Michael Peters and Partners.

Peters himself certainly does not see his future role in management. He wants to become a true creative director, pushing new ideas, exploring new areas for expansion. "I'll be in the boilerhouse," as ha puts it, "fuelling the business with new ideas."

He has identified three immediate ways forward: a move into new premises, the introduction of computer aided design and a greater shift to retail design. Businesses on the stocks at the moment include Huckleberrys hamburger chain, Cordon Bleu freezer chain, a cable TV company and an Israeli food company.

Ironically, this retail activity, seen by Peters to offer the greatest potential for growth, bas least impressed some City observers.

"It is difficult to see what Michael Peters has to offer in this field compared with Allied International Designers and Fitch," says one market analyst. "He has not got the same back-up in terms of creativity and market research."

Peters is not impressed with this argument, pointing to the recent acquisition of Rob Davie to build a retail team.

"Market research is very important," says Peters. "We can't work without market analysis. It is essential, but it can only be taken so far. Consumers will always prefer what they know. If Picasso had walked round the streets of Paris with his paintings under his arm he would not have sold a single picture at ona time.

"Market research can lead to enormous mediocrity. It seldom allows a good idea to come through. In the end we have to make a decision and it comes from here," says Peters, pointing to his stomach.

"We are looking at things in a different way. In two or three years we expect to be one ot the top names in retail design."

On Sunday he will put his gospel to the nation in a two minute television commercial during Weekend World, the first time design has been sold this way. It will be supplemented with spots on Capital Radio and LBC in an attempt to convince people that design, particularly Michael Peters design, means business.

AD HOC

TODAY Don Johnston, chairman and chief executive of JWT Group Inc, will be telling City analysts and fund managers why the world's third largest agency, with revenue this year of $450m, is seeking a quote on the London Stock Exchange.

It will not be the first American agency to do so; Ogily and Mather has been there for years, but with little share movement. In New York there is more trading in JWT shares than in the seven other agencies quoted combined, and Johnston hopes for an active market.

The market has certainly been active in New York in the past 20 months. JWT shares fell from $22-24 to $15-17 between February and August last year, while the agency was hit by a computer frand. Now they are riding high, at $39-41, sustained by the advertising boom which is producing a 1983 U.S. boost in turnover for JWT of 15 per cent.

Obviously a London quote adds to JWT's recovered respectability. It also gets the agency in before Saatchi & Saatchi receives its New York quote. But perhaps the main reason for JWT coming to London is a hope that some of the high regard financial quarters have for agencies in the UK will rub off on Wall Street. There the reputation is rising but the sector has not yet the glamour it has attracted in the City.

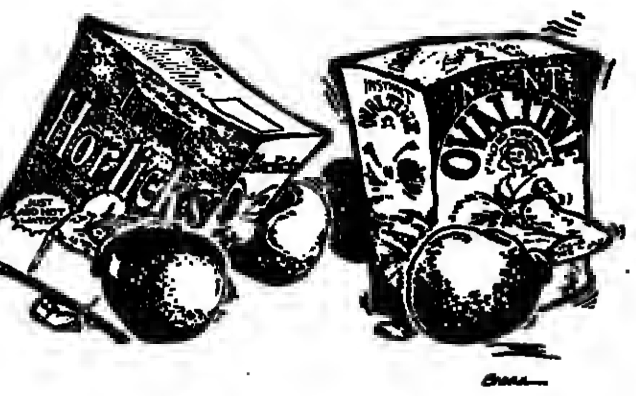
Johnston has at his fingertips all the reassuring facts about agencies—how the top ten has barely changed in two decades; how the big agencies are dominating the business with the top seven in the U.S. responsible for 34 per cent of all advertising; and how the ten largest clients of JWT, names like Ford, Kraft, Unilever, Kodak, Kellogg, have on average been with the agency for 37 years.

Perhaps another reason why JWT is coming to London is the extreme Britishness of this American agency. It has been employing Britons in the top London jobs for generations.

Antony Thorncroft

How bedtime drinks are losing their sleepy image

BY CARLA RAPOPORT



SOME PRODUCTS, like Model T-Fords, become obsolete and disappear. Others, like pogo sticks, die from lack of a devoted following.

Horlicks, the malted food drink which is 100 years old this month, was about to go the way of Model T-Fords and pogo sticks not very long ago. Today, it is so successful in the UK that Beecham, the product's owner, can scarcely believe its luck.

"If we could apply the Horlicks formula to ourselves, there would be no mortality," chuckles Tony Dougal-Biggs, Beecham's managing director of foods.

Not surprisingly, there are few laughs to be heard from Horlick's competitors. On Monday night, Ovaltine unleashed a £1.5m national television campaign through its agency, TBWA, aimed at re-establishing itself at the head of the £30m-a-year market. "We're fighting back," says Brian Webber, marketing director at Wander Foods, Ovaltine's Swiss-based parent.

At Beecham, executives are relishing the fact that the malted food drink market is something to fight about. Horlicks — made from wheat flour and malted barley — was invented by Arabella and William Horlick in 1883, in Racine, Wisconsin. The U.S. market for the product had long since fizzled out by the time Beecham bought the brand in 1969. By 1977, the product's volume sales had shown no growth at all in the UK.

The drink, it seems, was a victim of its own image. "Horlicks was a traditional bedtime drink. It used to be, before central heating, that you needed a bot drink before bed," says Dougal-Biggs. Warmer bouses led to fewer bedtime drinks, he says.

Although he doesn't have statistics to prove it, Dougal-Biggs says that late-night television and the increased use of sleeping pills also robbed Horlicks of potential drinkers. "We had to get away from our bedtime image, from our association with sleep. We had to move into the rest of the day," be says.

The barrier to moving Horlicks out of its traditional slot was the somewhat demanding task of making the drink. "Making a Horlicks of it," has passed into common language to mean making a mess, because impatient Horlicks-makers will often not follow the directions on the label and end up with a very lumpy drink. Horlicks' devoted bedtime drinkers were clued up on the proper technique, but Beecham feared that newer, younger drinkers needed an easier process.

In January of last year, Horlicks launched an instant Horlicks, a move which prompted only two outraged letters of protest from its loyal but stagnant following. Beecham hired the UK runner, Sebastian Coe, to highlight its expanded media campaign to promote instant Horlicks. The Coe ads, devised by Ogilvy and Mather, emphasised that Horlicks was for any time of the day, as you just had to mix it with hot water, not go through the trouble of heating up milk.

The result? "We've been very pleased. We don't win them all, but we did with this one," says Dougal-Biggs. Sales in 1977 for the product were at £6.5m, he says. Today, they are running at an annualised rate of £13m. From a 32 per cent market share, Horlicks now enjoys a leading market share of between 42 to 45 per cent. On the sidelines is Cadbury's Bournvita with a steady 12 per cent.

Advertising expenditure has been pushed up from £350,000 a year to £1.6m, according to Beecham. Even so, the company admits to "bealthy" profit margins on the product. "We're not talking about a commodity, like squash. Here we have a brand in the truest sense of the word and people are happy to pay the extra cost for it," says Dougal-Biggs.

Beecham says that the instant formula hauled a new audience into the malted food drink market. The instant variety can be mixed up by children, or office workers with access to a kettle. Most in the sector credit the market's overall advance in sales from £20m in 1977 to around £30m today, to the rapid acceptance of instant hot drinks.

Ovaltina has been a bit slow off the mark in meeting the instant Horlicks competition, but the company claims it has been using the time to perfect an instant product which tastes almost exactly like traditional Ovaltine.

"It wasn't an easy piece of development," say Webber. "I'd say our chances are very good for getting back a bigger share of the market." He confirms that the group has about 32 per cent of the market today, as opposed to around 37 per cent in 1977.

Considering Horlicks' success, Ovaltine's advertising copy for its instant brand comes as no surprise to the Beecham people. The tag line of the commercial advises: "Don't wait until bedtime to enjoy it."

JOBS COLUMN

Progress and pitfalls of personality tests

BY MICHAEL DIXON

"WE'RE NOW going to look at a typical group of accountants," said Peter Saville. Then he paused as though expecting people to get up and run, eyes shielded, for the exits.

The reason why nobody did so may be twofold. First, perhaps the sight even of typical accountants no longer held terrors for the bardhitten personnel specialists listening to Dr Saville at their professional institute's conference last week in Harrogate. Second, he was talking about one of the most fascinating topics of all time—personality, with special reference to assessing its connections with managerial success.

It is a mysterious topic of course. Though we cut people up until we're red to the elhows we can no more locate their personality than we can their soul.

We cannot even be sure that any of us has one in the way that we have, say, a particular face. It may be that we have a range of different personalities, each of which we arrive at by unspoken negotiation with one or other of the various people we get to know.

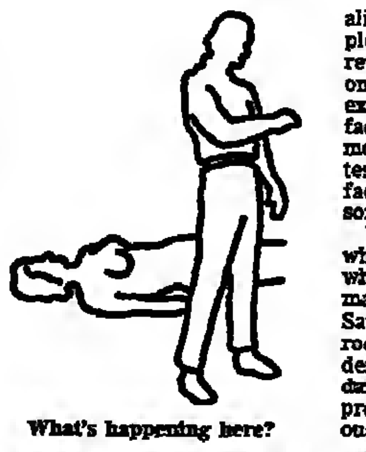
All the same the topic is important, especially in managerial careers. Executives' failures are blamed on personality far more than on technical faults, and increasingly so with each higher level of seniority.

When we are being considered for appointment or promotion so-called personality factors such as confidence or leadership are constantly in the selector'e mind. A judgment of them is always formed at least by means of an interview. Many employers try to reach a more objective assessment by using personality tests.

Some of these are less academically respectable than others, although not necessarily altogether unreliable. A demand for applications in "own handwriting" may mean the recruiter believes in graphology. Occasional use is made of astrology. Some companies in continental Europe favour body measurements as an indicator of character.

A more modern version of body measurements consists of tests of electrical activity in brain or skin. But here there is the disadvantage that candidates cannot be wired np for testing unless they are present, and are liable to ohject to lt even when they are.

Less aggravation is likely to be caused by methods developed from the old War Office Selection Board procedures in which the assessors watch candidates working and coping with one another in situations which typically arise in the real joh to he done. But besides being expensive, such methods can be poor indicators of factors like emotional stability in the longer term.



What's happening here?

Another method is to get candidates to "make up their own stories" about a series of ink blots or sketches of the kind at the top of this column. (Peter Saville's favourite interpretation of it was produced hy a woman. It was a picture, she said, of a man waiting for a 93 hus.)

Bnt the type of test probably most used in job-selection consists of a questionnaire that measures candidates against a number of personality factors. Each factor is represented by two opposing extremes such as humility on the one hand and arrogance on the other. Since extreme attitudes are rare, the average for the population at large is of course in the middle.

The test results in a personality profile, constructed by plotting where the attitude revealed by the candidate lies on the line between the two extremes in the case of each factor measured. The most commonly used example is Cattell's test based on 16 personality factors, originated in the U.S. soma 40 years ago.

Which brings us back to where we came in—or rather to where none of the personnel managers listening to Dr Saville raced out of the lecture room. For what happened next demonstrated one of the dangers of using personality profiles for job-selection without expert guidance.

As many thousands of people in various occupations have undergone the Cattell test, it is possible to obtain average profiles of people successfully doing a particular joh. An employer seeking a typical accountant, for example, might be inclined to obtain the average personality profile for that kind of worker and select the candidate whose individual profile most conformed to the average.

The typical accountant as measured by the Cattell factors which Peter Saville flashed up on the overhead projector turned out to be largely like "the man in the street." By that I mean that the accountant'a score on about 13 of the factors was close to the average for the population at large.

The exceptions seemed to be that accountants are less inclined to be the life and soul of the party and are more emotionally stable as distinct from being prey to their feelings. In addition, perhaps surprisingly, they are more innovative as opposed to stick-in-the-mud.

Then their average profile disappeared from the screen to be replaced by another one virtually identical. The resemblance was such that a selector seeking a typical accountant would be as likely to pick someone from the group represented by the second profile as from the first.

The second group consisted of people in prison for armed robbery.

Interview aid

The same sort of danger would not arise of course if personality profiles are used only within their limitations, Dr Saville said. They can be valoable, for instance, as a guide for someone interviewing candidates.

But the widely used Cattell test still suffers from snags. Some of the 16 factors are technically suspect. A more general problem is that it was created to assess school and college students in the U.S., and so is in several respects not appropriate for selecting people of other nationalities for jobs.

Consequently Peter Saville and his colleagues at Saville and Holdsworth have been developing, with support from about 50 major employers both private and public in Britain, a new profile-style test of personality factors specifically related to suitability for different kinds of work. It is to be called the OPQ, which stands for Occupational Personality Questionnaires.

Although final trials have still to be completed, he told the Institute of Personnel Management's conference, "there is every indication that OPQ will prove to be a significant improvement on currently available techniques."

The improvements may not always be appreciated by candidates who find themselves taking it. Whereas the Cattell covers 16 factors, the full OPQ will cover 30. That means about four hours of form-filling although shorter versions will be marketed for use where the demands of the job are relatively clear-cut.

In the readers' interests, as soon as the new test is ready, the Jobs Column will submit to the worst that the OPQ can do and report on the results — always provided that it has not first been dragged off by men in white coats.

LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

LAW AND PRACTICE OF BANKING

Applications are invited for a LECTURESHIP in the LAW AND PRACTICE OF BANKING tenable in the Department of Management Studies of the University. The appointee will also be an Associate Member of the Loughborough Banking Centre, a new post-graduate and post-experience teaching and research centre established jointly with the Department of Economics.

Applicants should possess a relevant degree and/or professional qualification and banking experience. The appointment is for three years in the first instance and the starting salary in the scale £7,190–£14,125. Further details and application forms from Paul Johnson, Establishment Officer, quoting ref. no. 83/30 MS.

Loughborough Leicestershire

Marketing Consultants

Banking & Finance

c.£20,000 + car

London

We are looking for additional marketing expertise to develop further the services offered by our Banking and City Services group.

You must be able to demonstrate current experience of marketing in a banking or financial services environment, and you will have had a lead role in at least two of the following activities:

- Development of marketing strategies
- Market and user studies
- Product development
- The successful implementation of marketing initiatives

To join us you should be a graduate, aged 28-35, self-confident, and able to communicate effectively at all management levels.

Write, enclosing a detailed CV, to Peter Williamson quoting Ref. BF/2/FT.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Important Management Roles in a changing environment

Our Markets and Membership Department is responsible for much of the supervision of Stock Exchange members and firms. It will play a critical role at a tima when the activities of mamber firms may develop considerably.

In these circumstances we now wish to appoint three senior managers who will strengthen the Department's policy making and reguletory team.

You will be involved in the preparation of papers for consideration by The Stock Exchange Council, and will be responsible for the edvocacy of courses of action to Stock Exchange Committees end Panels. You will also be expected to make a major contribution to policy development in this important and fast changing erea.

Probably aged between 25 and 45 with a degree or relevant professional qualification you may currently be working within the Securities industry. However, you could have held e senior post or rank in commerce, industry, or perhaps the armed services. Experience in any of these could provide you with the qualities necessary for one of these positions. Qualities such as adaptability, forward thinking, and the ability to work under pressure and on your own initiative.

These positions represent considerable career opportunities. Starting salaries will be in the region of £15,000 p.a. and the benefits package includes e fully-paid season ticket, 8UPA, non contributory pension scheme, subsidized meals and 25 days holiday.

Please write with a full curriculum vitae to: Mary Thom, Manager Personnel Services, The Stock Exchange, Old Broad Street, London EC2N 1HP. Telephone: 01-588 2355.

The Stock Exchange

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No.887374

A key appointment providing an expanding role in treasury and corporate finance.

ASSISTANT TREASURER—OIL

LONDON **£18,000 — £23,000**

MULTI-MILLION POUND U.K. INDEPENDENT OIL COMPANY EXPANDING INTERNATIONAL EXPLORATION AND PRODUCTION INTERESTS

We invite applications from candidates, aged 28-45, with a proven track record in international treasury management and corporate finance gained with a company or bank. Oil industry experience and university or other professional qualification will be an advantage but are less important than the ability to work within a small, highly motivated team. The successful candidate will report to the Group Treasurer and will play a major part in determining and implementing foreign exchange and money market policy and will work on strategic planning and acquisitions. An attractive remuneration package is negotiable, £18,000-£23,000, company car, non-contributory pension, private medical scheme. Applications in strict confidence under reference AT4209/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TEL: 01-588 3588 or 01-588 3576. TELEX 887374. FAX: 01-638 9216.

A first step into industry—with scope for overseas travel and to move into General Commercial Management in 3-5 years.

ALPS COMPANY ACCOUNTANT – NEWLY QUALIFIED

ESSEX **£12,000 — £15,000**

FAST EXPANDING MANUFACTURING AND SALES ORGANISATION

We invite applications from recently qualified accountants (ACA, ACCA or ACMA) aged 23-28. The successful candidate will report to the Financial Controller and through a team of 4 will be responsible for seeing the cost accounting system is adhered to and periodically updated, and collect and consolidate and produce meaningful monthly accounts for the parent and the two overseas subsidiary companies. Up to 15% overseas travel will be necessary. Continuation training will be provided where necessary. Initial remuneration by way of salary and incentive is negotiable £12,000-£15,000 + contributory pension, free life assurance, BUPA, assistance with removal expenses if necessary. Applications in strict confidence under reference CA060/FT to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TEL: 01-588 3588 or 01-588 3576. TELEX 887374. FAX: 01-638 9216.

* Please only contact us if you are applying for one of the above positions.

U.K. LENDING

International bank seeks a UK/marketing lending specialist. A solid credit background is required, coupled with broad-based lending/marketing experience in the UK. Salary neg. plus excellent benefits.

Contact 01-588 8161

The Roger Parker Organisation,
4, London Wall Buildings,
Blomfield Street,
LONDON, E.C.2.

Manager-Planning & Development

Courage Tenanted Trade

A progressive outlook is one of the strengths of Imperial Brewing and Leisure and we have recently reorganised and consolidated our activities to meet the changes affecting our fast developing industries. A major part of the Courage Limited business is its 3,600 tenanted houses, and we are now focussing attention on optimising their commercial potential. Reporting to the Tenanted Sales Director, the Planning and Development Manager will play a key role in realising that potential.

We are looking for someone with vision, who can bring a fresh approach to the business through analysing trends and forecasts, devising medium/long-term plans and policies, and proposing commercially viable strategies. Whilst the emphasis for this position is definitely on the future, success will depend upon being able to translate this creative independent thinking into both accepted and practical plans in a complex environment.

Applicants must therefore be able to demonstrate an ability in corporate strategy and ideally have a good track record as a line manager. A comprehensive understanding of retailing is important and knowledge of the pub business and its context would clearly be helpful with both independence of thought to bring new approaches and the ability to turn these ideas into accepted plans. A graduate, aged 30-45, who has corporate planning experience in a large company and who has also personally run a small business unit (or ideally started one up) is likely to fit our needs.

The post carries an attractive salary with a car and full range of large company benefits. The potential for substantial development and promotion within the next two or three years cannot be underestimated.

Please write enclosing a detailed curriculum vitae to:-
Mrs N J Cox, Personnel Resources Manager, Courage Limited, 32 Southwark Bridge Road, London SE1 9HS.

COURAGE LIMITED

Audit-North Sea Operations

The Royal Dutch Shell Group of Companies has a continuing need for highly qualified accountants who wish to make successful and well rewarded careers either in the field of financial management or in the wider business scene in the UK and overseas. One of the entry points for such staff is the Internal Audit Department. Vacancies are currently available with Shell Expro in Aberdeen, one of the most successful joint venture operators in the UK Sector of the North Sea.

Members of the Internal Audit Department undertake an exceptionally wide range of projects through which they have an opportunity to acquire an excellent overview of the Company's activities, its general management policies and its financial systems. Applying modern business techniques, auditors carry out appraisals of policies, contracts administration and control procedures on behalf of senior management and recommend necessary changes arising from such appraisals.

Candidates should be qualified accountants, preferably with some recent EDP audit experience and management potential. A further degree in e technical field would be an advantage.

Shell offers highly attractive five figure salaries depending on qualifications and experience, together with excellent working conditions. Fringe benefits are generous and include assistance with relocation to Aberdeen, where appropriate.

As an employee of Shell Expro you would be seen as a potential resource for Shell group companies with opportunities to develop according to your accounting and managerial skills across a wide range of business activities in both this country and abroad.

To apply, please write or telephone for an application form to:
Recruitment & Development Advisor (UEPA/115)
Shell UK Exploration & Production
1 Altens Farm Road
Nigg, Aberdeen
AB9 2HY. Tel: (0224) 882149

Shell

Creative Personnel Leadership

Partnership prospects

City-based **From about £30,000**

Our client has achieved high standing, both in the UK and internationally, in a professional sector characterised by rapid change. Successful, and highly people-dependent, the practice is committed to developing new approaches which address the significant human and organisational implications of the change process. The seniority and accountabilities of this appointment reflect this commitment – and the priority to its fulfilment.

Success in leading e substantial personnel function, and a capacity to win the support of senior colleagues in translating innovatory thinking into effective action, are the core requirements. This experience, in which there should have been particular emphasis on the assessment and development of managers, should preferably have been gained in a predominantly white-collar organisation employing e high proportion of qualified staff. Candidates are unlikely to be earning less than £25,000. Age – probably late 30's up to 45.

Please write fully – in confidence – to Colin Bexon ref. B.17376.

This appointment is open to men and women.

HAY-MSL Management Selection,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

THE CROCKER BANK

LONDON BRANCH

Invites applications for the post of

MONEY MARKET DEALER

Applicants with a background of ability and experience in Foreign Exchange and Money Market Instruments gained over 5-7 years

This position will entail responsibility for assessing and trading the bank's exposure in the domestic sterling and currency money markets.

Salary and benefits package will reflect the importance and responsibilities attached to the position.

Please write with full personal and career details to:

Mrs. H. Thompson,
CROCKER NATIONAL BANK
34 Great St. Helen's,
London EC3A 6EP.

NON-EXECUTIVE DIRECTOR RETAILING

A soundly-based retailing group with an excellent record of progressive growth, seeks an experienced Non-Executive Director to help the Board plan further exciting development.

The ideal person would be a former Chief Executive or Financial Director of a substantial national retailing organisation, preferably, but not essentially, with grocery or similar fmcg experience. Alternatively, full-time executives with such a background, but currently in a non-competitive sector and who may be released, may apply.

In either case, the required background is of managing growth through branch expansion, and implementing tight budgetary control and reporting procedures. The commitment will be about two days per month and the fees are for negotiation. Initial enquiries will be dealt with in the strictest of confidence by:

P. R. Watson, BA (Econ), FBIM
Managing Director
York Consultants Ltd.
York House, Clifford Street
York YO1 1RG
Tel: York (0904) 29009

CHIEF DEALER

London branch of European bank seeks Chief Dealer to supervise expanding dealing activity. Knowledge of French would be advantageous.

Salary package for this new position is negotiable.

Please reply giving details of relevant experience to:

*Box A8341
Financial Times
10 Cannon Street
London EC4P 4BY*

APPOINTMENTS WANTED

EXECUTIVE WOMAN, Scandinavian, based Brussels, fully mobile; excellent presentation, fluent 8 languages, extensive experience marketing, P.R., trade investment promotion. Write Box A.8342 Financial Times, 10, Cannon Street, London EC4P 4BY.

DEPUTY HEAD PORTFOLIO ADMIN.

to £15,000 plus benefits

Major American bank seeks a highly experienced portfolio administrator as Deputy Head for their Investment Management Group. With 4 staff reporting directly and personal responsibility for one major account, the successful applicant will exhibit extensive international investments knowledge including portfolio revaluation. Experience of bank transfers in multi-currencies and automated systems is essential as is the ability to ensure procedures, controls and budgetary limits are maintained. It is unlikely that applicants under 30 years of age will have sufficient depth of knowledge to be considered.

Please contact: Paul Trumble

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

Financial director designate – unit trust and fund management

Jersey, c£25,000, bonus + car

A rare opportunity to join a group of investment fund managers, a member of a leading public group. This is a new appointment based in Jersey (standard rate of tax 20%) resulting from substantial business development and growth.

A qualified accountant, you should be able to demonstrate recent financial control and management skills in commerce or industry. Previous experience in unit trust management is considered an advantage but not essential.

Reporting to the Managing Director and the Board you will:–

- assume full responsibility for all accounting functions (funds and management)
- develop and monitor reporting and control procedures
- evaluate future business development opportunities.

Résumés including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B150.

C&L

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Business/Financial Analyst

City c.£12,000

Willis Faber, leading international insurance brokers and underwriters, are seeking to strengthen their Group Finance Division in London with the appointment of a Business/Financial Analyst who will be involved in a broad range of the Division's projects covering Financial Management, Planning, Acquisitions and Market Research.

Suitable candidates will be business graduates with a MBA qualification and ideally two years' work experience related to the work to be undertaken. Experience of the insurance industry will be an added advantage.

Salary is negotiable c.£12,000 and generous fringe benefits will be those associated with a major group in the financial services industry.

Please contact Malcolm Newson on (0473) 217911 ext 3543 or write to him at Willis Faber & Dumas Limited, Friars Street, Ipswich, Suffolk IP1 1TA.

Willis Faber

LONDON BOROUGH OF SOUTHWARK

Principal Technical Officer
£11,026 to £12,106 PO1 (1-5)

We have a vacancy for an enthusiastic person who wishes to further their career in a progressive finance department.

The post is No. 2 in a section dealing with all aspects of borrowing and investments. Although borrowing experience is desirable, we would also consider candidates with the necessary enthusiasm who can demonstrate a knowledge and interest in debt management.

The section manages a loan debt of £508m, an expanding leasing programme and monitoring of the Council's Superannuation Fund Performance.

The successful candidate will be responsible for all temporary borrowing — including cash flow — forecasting — monitoring — but will also be involved in other aspects of the section's work.

A micro computer based loans system is used for all temporary debt records and a long term loans system will be introduced this financial year.

For further information or an informal discussion, please telephone Peter Mennering on 01-237 6677, Extn. 31.

The Treasurer's Department is within walking distance of London Bridge Station and a season ticket loan scheme is in operation.

Southwark is an equal opportunity employer. Applications are welcome from candidates regardless of sex or ethnic origin and from registered disabled persons. Telephone 01-701 7870 (24-hour answering service) any time for an application form, or write, on a postcard to: The Personnel Officer, London Borough of Southwark, 26 Commercial Way, London SE15 6DG. Please quote reference FT/2/4184 and job title. Last date for receipt of completed Application Forms: 14.11.83.

Deputy Taxation Manager

A genuine opportunity for professional growth

Substantial 5-figure salary + car. Central London

Imperial Brewing & Leisure Limited is a major division of the Imperial Group. Operating companies include Courage Limited, John Smiths Tadcaster, Imperial Inns & Taverns, Saccone & Speed, Anchor Hotels, Motoross and Happy Eater. These companies provide a wide range of activities from production to retailing to property and this, plus a vigorous business development plan, gives a fascinating and challenging selection of taxation issues and questions.

We now require a taxation specialist to join the small team dealing with tax and associated special projects, who can take on a section of our current concerns, and who has the potential for rapid career progression.

The successful applicant will be a qualified accountant, probably in their late 20's or early 30's, who has gained further skills in taxation, particularly in a commercial context. A strong intellect, keen judgement and self motivation are essential as well as good negotiating and persuasive skills for contact both within the Division and with the relevant authorities. Experience of large companies and legal knowledge would be an asset.

A salary of around £17,000 p.a. is offered although this could be enhanced to reflect the experience and qualifications of an exceptional candidate. We provide a full range of generous fringe benefits including company car.

Please write enclosing a detailed c.v. to G. Pye, Personnel Development and Training Manager, Imperial Brewing & Leisure Limited, Anchor Terrace, Southwark Bridge, London SE1 9HS.

IMPERIAL BREWING AND LEISURE LIMITED

CREDITS CITY BANK

City bank, UK subsidiary of an overseas bank, seeks Assistant to the Credits Manager, concerned with all aspects of credits, trade finance, corporate and project lending etc. Age 28-40. An attractive salary with benefits offered to a person prepared to work hard and grow with the business. All applications in strictest confidence.

Write details to Managing Director, Box A8339 Financial Times 10 Cannon Street, EC4P 4BY

LICENSED DEALER IN SECURITIES

needs a literate, articulate, numerate assistant interested in people and their money.

To obtain full job spec. and application, send brief cv to:

P. J. Doherty
INISHOWEN
(Finance, Investment & Tax Counsellors)
235, High Street
Aldershot, Hants.

Management consultants efficiency and effectiveness

London based, to £17,000

The expanding demand for our services in improving efficiency and effectiveness in the public and private sectors has increased our need for consultants, who:–

- are able to undertake value for money audits or cost effectiveness reviews and implement their solutions
- understand how to achieve organisational change
- possess the determination and incisiveness to quickly discern key issues.

We are looking for men and women who should be:–

- financial analysts, management services specialists, internal auditors or line managers experienced in improving efficiency
- graduates, possibly with a professional qualification or an MBA
- aged 27-33.

As one of the largest British and international consultancies, we offer:–

- interesting and varied assignments in many locations
- the development of your expertise using the latest management techniques
- excellent opportunities for career and earnings progression.

Résumés, including a daytime telephone number, to David Miller quoting Ref. F15/5.

C&L

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Chief Executive

Merseyside Enterprise Board

This new appointment is to direct and develop the activities of the recently incorporated Merseyside Enterprise Board Limited. Its establishment by the Merseyside County Council, from which it is legally independent as a company limited by guarantee, is a further demonstration of a commitment to stimulate economic regeneration on Merseyside. Its objective is to provide development finance for local companies able to demonstrate commercial viability and the capacity to create and/or sustain employment.

The Chief Executive will be accountable to a Board, drawn from public and private sectors, for identifying long term growth opportunities in which to invest through equity or loan finance, and for the subsequent management of the investment portfolio. An early task will be to recruit support staff.

Candidates, probably accountants and/or business graduates with broadly based business backgrounds, should have successful records at senior level in industry or the financial sector. A knowledge of all aspects of corporate finance is essential.

The appointment will be initially for three years. Salary negotiable around £21,000; pension; generous car allowance; relocation assistance.

Please write – in confidence – for further information and an application form. E. I. Clark ref. B.75277.

This appointment is open to men and women.

**HAY-MSL Selection and Advertising Limited,
Union Chambers, 63 Temple Row, Birmingham B2 5NS.**

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Bank Economist

A City-based major international banking group has a vacancy for an economist with at least two years' experience in commercial, financial or other relevant employment since graduation.

The post is in the Economic Department, which is concerned with a wide range of subjects including country risk assessment, currency and interest rate forecasts, commodity markets, the many developing countries in which the group operates and developments in the United States and elsewhere in OECD. Opportunities for specialisation will be given.

The appointment will interest a young economist possessing a good degree in economics or an associated discipline who is keen to join a lively, well-established team. There is an attractive basic salary and ancillary benefits are substantial. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to The Recruitment Officer, Personnel Services Department, Personnel Division, Standard Chartered Bank PLC, 10 Clements Lane, EC4N 7AB.

Standard Chartered BANK PLC

Bank Recruitment Specialists

CREDIT/LENDING

LENDING/TRADE FINANCE
A senior appointment, calling for a mature professional banker (35-45) who has specialised in the financing of international trade. Suitably experienced candidates are likely to be currently earning c.£25,000.

BUSINESS DEVELOPMENT
Prominent European bank, well established in London, seeks a senior banking executive to lead its U.K. business development activity, marketing a full range of international banking services to the corporate sector. Suitable candidates are likely to be graduates or professionally qualified, aged early 30s.

LENDING — SCANDINAVIA
A London based appointment, calling for an individual aged 25-28 with sound credit training, specific experience of lending to the corporate sector in either Sweden or Finland, and fluency in at least one Scandinavian language.

LENDING — MIDDLE EAST
London branch of leading U.S. bank wishes to recruit an additional International Officer, aged 23-30, to market the bank's services to national and public entities in the Middle East. Current experience in a comparable marketing rôle is sought, backed up by U.S. bank credit training.

MARKETING — SAUDI ARABIA
A managerial appointment at the Head Office of a leading Saudi bank. Candidates will be seasoned bankers aged 30-40, with substantial experience of Middle Eastern credit and lending. The appointment carries a substantial tax free salary and a full range of expatriate fringe benefits.

CAPITAL MARKETS

STRAIGHT $ BOND TRADER
Opportunity for an aggressive, experienced Straights Trader to expand the trading activity at a major European bank. Salary to c.£25,000.

MIDDLE EAST SALES
A senior London based appointment within the Bond Sales team of a major, rapidly developing international investment bank. Candidates, ideally aged 28-35, should have significant experience of Middle Eastern capital markets.

F.R.N. TRADER
An international investment bank, newly established and of significant stature (triple 'A' ranking), seeks an experienced F.R.N. Dealer to establish, develop and expand its F.R.N. trading function. Outstanding terms are offered for this 'ground floor' appointment.

F.R.N./F.R.C.D. TRADER
Leading U.K. merchant bank, with a considerable and expanding presence in all aspects of capital markets activity, wishes to recruit a mature Dealer (mid/late 20s) with some 2 years' experience in trading F.R.N.'s or F.R.C.D.'s. An excellent opportunity to broaden exposure with a major name.

BOND TRADER
Well known British bank, expanding its Bond/F.R.N. trading area, seeks an additional aggressive Dealer aged 24-30 who should have up to 2 years' trading experience and (ideally) previous settlements experience. The appointee will work closely with, and deputise for, the Chief Dealer.

SENIOR APPOINTMENTS — NEW BANK

A U.S. bank, long represented in London, is shortly to open a full service branch and wishes to appoint a SENIOR FOREIGN EXCHANGE & DEPOSIT DEALER: HEAD OF DOCUMENTARY CREDITS: and HEAD OF ACCOUNTS (ideally with IBM34/Midas experience). We should like to hear from experienced candidates aged 25-35.

Please contact Ken Anderson or Leslie Squires. Telephone: 01-588 6644

*Anderson Squires,
Bank Recruitment Specialists
85 London Wall, London EC2M 7AE*

Anderson, Squires

Deputy Internal Controller

Nigeria Early 30's to £22,000 net

A Merchant Bank in Nigeria, the affiliate of a major international European banking group, is expanding its new Lagos operation and requires a Deputy Internal Auditor/Controller.

The job is to assist with the creation and organisation of the Audit Department, entailing not only all the internal controls made by a bank, but also organisation, procedure and staff training. The position calls for a person in their early thirties, with either a degree and/or an AIB as a minimum qualification, together with at least five years' experience in banking operations and internal audit, preferably in a computerised banking environment.

A first class salary will be supplemented by generous expatriate benefits including housing, car etc.

Replies will be forwarded direct to our client but please write in the first instance to Keith Fisher at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Please state in a covering letter any groups in which you are not interested.

Overton Shirley and Barry OSB

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Our unique **guarantee** assures clients of rewarding careers, obtained mainly from the unpublished job market.

Telephone for an appointment of up to four hours free consulting — or send us your c.v.

We are also specialists in 'Outplacement' for organisations, through our affiliated company Lander Corporate Services Ltd.

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Birmingham: 021-643 4830, The Rotunda, New Street.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.
Belfast: 0232-228768, 22 Great Victoria St., BT2 7ER.

ASTLEY & PEARCE (BENELUX) S.A.

We require staff with international money market experience to assist in our Luxembourg operations. Knowledge of German would be useful.

Apply: Mr. K. Cook, Astley & Pearce (Benelux) S.A.
13 Rue Notre Dame, Luxembourg

SENIOR LENDING OFFICER

P. S. Refson & Co. Limited is seeking a very experienced banker for an important role in its risk asset management.

Applicants for this appointment will have had a minimum of ten years' relevant experience. They will be professionally qualified, in their late thirties or early forties and demonstrate clear board potential. Emphasis will be placed on proven ability to make perceptive and sound judgments in a demanding environment.

Experience in the financing of international trade and readiness to travel at short notice are prerequisites.

Salary negotiable up to £30,000 plus car and the usual benefits.

Please write fully to:
The Managing Director,
P. S. Refson & Co. Limited,
13 Austin Friars,
London EC2N 2HE.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100): retail sales volume (1978=100); retail sales value (1978=100): registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs
1982							
4th qtr.	98.3	92.9	92	110.7	184.5	2,913	115
1983							
1st qtr.	99.5	94.4	84	111.1	153.1	3,003	124
2nd qtr.	99.6	94.3	88	113.6	158.7	2,987	135
3rd qtr.				114.2		2,950	160
February	100.0	94.1	93	111.1	148.9	3,001	124
March	98.9	93.6	80	111.9	155.1	3,026	126
April	99.6	94.3	95	112.9	157.8	3,021	134
May	100.5	94.8	90	113.7	150.1	2,970	131
June	98.8	93.9	85	114.0	159.1	2,968	139
July	101.5	96.4	99	113.9	166.8	2,957	153
August	101.2	95.3		112.8	162.8	2,941	162
September				116.0		2,963	164

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100): housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
3rd qtr.	93.8	91.0	104.7	92.1	102.9	87.5	17.1
4th qtr.	94.1	90.6	103.7	91.6	93.6	87.0	15.1
1983							
1st qtr.	95.7	91.9	104.9	93.2	101.0	88.0	18.1
2nd qtr.	95.3	90.5	105.8	93.1	106.0	87.9	19.6
January	97.0	93.0	104.0	94.0	103.0	88.0	15.6
February	95.0	92.0	106.0	93.0	100.0	87.9	18.2
March	95.0	90.0	105.0	92.0	100.0	89.0	20.1
April	96.9	91.0	106.0	93.0	109.0	97.0	17.3
May	96.6	[illegible]	107.0	94.0	105.0	87.0	18.6
June	96.0	90.0	105.0	93.0	104.0	89.0	22.9
July	98.0	94.9	107.0	97.0	109.0	91.0	17.4
August	97.0	92.0	108.0	94.0	101.0	87.0	16.2

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
4th qtr.	104.6	99.3	+1,215	+2,420	+1,736	98.7	17.0
1983							
1st qtr.	103.5	106.6	−194	+779	+1,764	97.8	17.34
2nd qtr.	101.2	107.7	−654	−313	+1,490	98.0	17.71
3rd qtr.							17.90
February	104.1	107.5	−121	+204	−613	97.5	16.58
March	119.9	103.3	+397	+721	+622	97.1	17.34
April	98.6	106.6	−310	−196	+485	97.4	17.66
May	98.7	110.2	−506	−383	+420	97.7	17.92
June	106.2	106.5	+162	+279	+585	99.1	17.71
July	97.0	108.1	−350	−190	+440	99.9	17.94
August	100.4	108.6	−138	+ 22	+569	99.8	18.01
September							17.90

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
4th qtr.	17.2	12.2	26.9	+4,298	2,139	2,473	10.13
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,499	10.50
2nd qtr.	15.3	14.6	15.0	+5,055	1,071	2,498	9.50
3rd qtr.	8.5	8.4		+1,519	2,098		9.50
February	10.6	7.6	13.1	−1,309	386	792	11.00
March	10.7	10.0	11.9	+2,048	397	850	10.50
April	12.1	13.7	13.6	+2,019	433	783	10.00
May	15.6	13.5	12.8	+1,069	319	847	10.00
June	18.1	16.5	18.5	+1,956	319	888	9.50
July	14.0	12.5	21.5	+ 778	739	782	9.50
August	11.5	10.8	22.5	+ 667	525	930	9.50
September	0.6	2.1		+ 74	834		9.50

INFLATION—Indices of earnings (Jan. 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
4th qtr.	141.8	119.4	120.1	325.4	298.5	238.84	89.1
1983							
1st qtr.	144.7	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.		124.7	125.1	338.0	310.4	288.14	84.9
February	145.4	125.4	121.7	327.3	302.1	256.25	80.7
March	146.1	124.2	122.4	327.9	302.4	277.29	79.1
April	146.0	123.1	123.6	332.5	304.6	274.56	82.8
May	148.3	123.8	124.3	332.9	305.6	267.01	84.9
June	149.7	124.0	124.6	334.7	305.8	272.89	85.2
July	151.7	123.2	124.7	336.5	308.7	282.26	84.8
August	150.6	124.6	124.9	338.0	309.4	293.02	85.1
September		126.4	125.6	339.5	313.0	288.14	84.8

* Not seasonally adjusted.

APPOINTMENTS

New chief at Occidental

geschaeftsfuehrer with Mr Franz

Mr John Brading has been elected chairman and chief executive of London-based OCCIDENTAL INTERNATIONAL OIL INC. and executive vice president, Occidental Oil and Gas Corporation with responsibility for operations in Europe and Africa. Mr Brading, an Englishman, returns to London after two years as president and a director of Canadian Occidental Petroleum, and three years in Libya as people's committee member and president of Occidental of Libya Inc. He was elected an executive vice president of OIOI in 1976 and appointed president in 1978.

He replaces Mr J. Doug Ratcliffe, who is returning to the U.S. to become executive vice president, Europe, Africa and Middle East Affairs for the parent Occidental Oil and Gas Corporation.

★

UNITED CABLE PROGRAMMES has appointed Mr R. R. G. McIntosh its financial controller from October 31. Mr McIntosh is group financial director of Photoscan.

★

Mr Richard Kendell has been appointed UK general manager of SANTEC CORPORATION LTD, the wholly-owned UK subsidiary of U.S.-based Santec Corporation Inc. Previously European sales manager, Mr Kendell joined Santec in 1982.

★

STANDARD CHARTERED BANK has appointed Mr P. A. Graham deputy chairman of its finance company subsidiary Chartered Trust in succession to Mr R. A. S. Lane who has retired. Mr Graham was group managing director of Standard Chartered Bank and is now senior deputy chairman of the bank.

★

NATIONWIDE BUILDING SOCIETY has appointed Sir John Henry Orr and Mr B. Hutchison Sneddon to its divisional board for Scotland. Sir John is a former chief constable of the Lothian and Border police. Mr Sneddon is a former chairman of the Cumbernauld Development Corpn.

★

At THORN/EMI DYNATEL, Mr Donald Billington has become technical director and Mr Colin Richards has been promoted to financial director. Mr Billington, formerly technical director of Thorn/EMI Automation, will have responsibility for directing Dynatel's increasing involvement with the Mainsborne Telecontrol system. Mr Richards joined Dynatel in 1981 from Duwport Steelworks where he was the chief accountant.

★

THE NATIONAL FREIGHT CONSORTIUM has appointed Mr J. W. Robb a non-executive director. Mr Robb is chairman, food and drinks division of Beecham Group.

★

Mr K. J. Leonard has been appointed a director of PA INTERNATIONAL AND STURGE UNDERWRITING AGENCY. Mr C. E. Parnell has resigned.

★

Mr Joachim Rudiger is to join the board of the LEP GROUP. Mr Rudiger is the joint Dieckmann of Lassen, a major subsidiary of the Lep Group in West Germany.

★

Mr Peter Higgins, managing director of Moveable Drywall Construction, has been elected president of the DRY LINING AND PARTITION ASSOCIATION for 1983-84. The DLPA's honorary treasurer is Mr Arthur Dicker, managing director of Deewall Contracts.

★

Professor Tony Kennerley has joined the BUSINESS GRADUATES ASSOCIATION as director on a part-time basis. He was director of Strathclyde Business School, University of Strathclyde.

★

BELLWAY has appointed Mr Alan G. Robson its group financial director. Mr Robson joins Bellway from Fairclough Construction Group where he was group financial director.

★

Mr J. Martin Ritchie has retired from the board of HAYMILLS HOLDINGS and has been succeeded as chairman by Mr G. A. Cox.

★

LONDON AND ASSOCIATED INVESTMENT TRUST has appointed Mr R. S. Hope to the board. He continues as group secretary. Mr David F. Calow has resigned as a director.

★

Lord Hanson, chairman of Hanson Trust has been appointed a member of the board of LLOYDS BANK from April 1 and of LLOYDS BANK INTERNATIONAL from January 1.

★

Mr Simon Casement, Mr Ewen Cameron Watt and Mr Gerald

Mr John Brading, chairman of Occidental International Oil Inc

Davies will be joining the partnership of E. B. SAVORY MILLN, stockbrokers, on November 14.

★

Mr Joe Darby, managing director of Thomson North Sea has been appointed to the board of its UK parent INTERNATIONAL THOMSON ORGANISATION.

★

Mr Roy P. Owens, Mr George L. Walker and Mr John L. Marshall are being taken into the partnership of KITCAT & AITKEN, stockbrokers, from October 31.

★

Mr Clifford Gough, managing director of Albert Gough and Son has been elected president of the BRITISH AGRICULTURAL AND GARDEN MACHINERY ASSOC.

★

BOVIS INTERNATIONAL has appointed Mr Charles Chevasco a director. He was regional executive with special responsibilities for Africa.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	0 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel ......§	9 %
Henry Ansbacher	9 %	C. Hoare & Co. ......†	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10½%
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland ......Ω	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9½%	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ......‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	10 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ......¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	0½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9½%	Yorkshire Bank	9 %
Co-operative Bank ......*	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	0 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ......‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.5%. 1-month 8.75%. Short-term £8,000/12 months. 8.1%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6½%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—8.90%. Effective annual rate—9.27%.

WORLD FOOD SUPPLIES

Now for the bad news . . .

By John Edwards, Commodities Editor

FIRST the good news: in spite of a sharp fall in the U.S. grain harvest this year, there is not going to be a world food shortage. There are plentiful stocks and next year could well see a return—weather permitting—to large grain surpluses.

Now for the bad news: there is a definite world scarcity of oilseeds, which provide protein for livestock in the form of meal added to animal feed, as well as edible oils used in the manufacture of a wide variety of products ranging from margarine to detergents.

At the same time the reduction in the world surpluses of grain has resulted in a general rise in prices for both wheat and animal feedgrains, such as maize and barley.

The combination of higher prices for both grains and oilseeds means rising costs for livestock producers and food manufacturers—and these will in turn lead to higher prices for meat, dairy and many other food products.

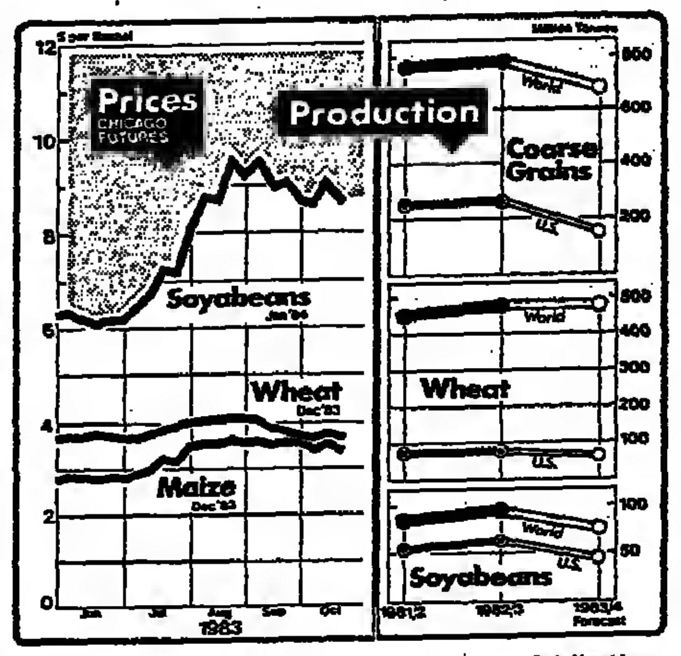
Many of the world's poorer countries will simply not be able to buy all they want at these prices, and the result will be local food shortages.

For the EEC, the situation is a mixed blessing. Higher world market prices for grain, and eventually dairy products, will significantly cut back the massive subsidies that Brussels pays to export Community surpluses. Indeed, with EEC grain crops also lower, and higher livestock prices, budget expenditure on supporting the Common Agricultural Policy will be considerably reduced as long as world prices remain high.

This in turn is likely to mean that the Common Agricultural Policy will survive for that much longer, and pressures for its reform will lose some of their force.

Community consumers will also suffer as a result of the higher prices for protein additives and edible oils. These products are not directly protected by the CAP, which insulates EEC consumers from world market forces in the dairy, grain, meat and sugar sectors by maintaining artificially high domestic prices.

The Unilever group has already announced a 20 per cent rise in margarine prices in Holland and confirmed that similar increases are planned for other countries. Another Unilever subsidiary, BOCM Silcock, the UK's largest animal feed compounder, has warned that animal feed prices are bound to rise sharply in the next few months as the higher grain and protein costs work through the system.



Bob Hutchinson

Crop by crop, the international outlook is as follows:

● Coarse grains, primarily maize and barley. World supplies are sharply down because of a big drop in the U.S. harvest, the result of severe drought and the introduction by the Washington Government of its so-called payment-in-kind (PIK) programme which was, ironically, designed to cut farmers' production because of then existing surpluses.

U.S. production of coarse grains is expected to drop by nearly half to 140m tonnes. Smaller crops have also been recorded in Canada and Western Europe, though Soviet production is up. Coarse grains are mainly used as animal feed, so higher prices will affect all livestock products from dairy to meat. There will be particularly severe problems for producers of intensively reared animals, such as pigs and poultry, who rely on feedstuffs rather than grazing.

PIK, under which farmers were offered stockpiled supplies in return for reducing their plantings, worked far better than expected because prices were so depressed. U.S. plantings of maize fell from 73.2m acres to 51.6m. Drought gave an additional twist, helping reduce average yields per acre from 114.8 to 85.1 bushels (of 56lb each).

● Wheat is in plentiful supply with a record world crop of about 486m tonnes expected—2m tonnes up on 1982-83. U.S. production should be about 65.5m tonnes, 11m tonnes lower than last year. But this will be more than offset by a sharp recovery in Australia, which was badly hit by a drought last year, and by a big rise in the Chinese crop.

However, prices have been forced up by increased demand for lower quality grades that can be used as alternative grains fed to animals. The main use of wheat is for milling into flour, so higher prices will affect a wide range of food products.

Overall, then, the world grains picture is not so severe as the U.S. difficulties might suggest. Total world grain output will, at 1,591m tonnes, be only 5 per cent down on the record 1982/83 outturn.

Moreover, it needs to be remembered that only a few months ago world grain markets were more depressed than at any time since the 1930s. Huge surpluses had forced prices down to well below cost of production levels. The recent price surge, therefore, began from a very low base.

● Rice too is in plentiful supply, with output expected to be 1 per cent higher than last year's 119m tonnes—a new record.

● Oilseeds, such as soyabeans, sunflower seed, rape seed, and palm oil, are in short supply worldwide as a result of crop setbacks, particularly to the soyabean crop in the U.S. Meal produced from crushing oilseeds provides the extra protein needed in animal feeds. Higher prices will, therefore, make livestock feeding even more expensive. Higher edible oil prices will affect a wide variety of products.

World production of oilseeds in 1983-84 is expected to decline by 9 per cent from the record level reached in 1982-83—down to 162.8m tonnes.

Soyabean output is expected to be 19 per cent lower at 77.5m tonnes, entirely because of a cut by over a third in the U.S. crop — to 41m tonnes. Brazil, the world's second biggest soyabean producer, is expected to have a bumper crop of 15.3m tonnes and Argentina's output is expected to jump from a drought-reduced 1.2m tonnes in 1982-83 to a record 4.6m tonnes.

The drop in U.S. soyabean production may mean that the country will simply not have enough to meet its domestic and export commitments this season, even taking into account carry-over stocks from 1982-83.

The Americans are adamant that they will not repeat the mistake made in 1973 when they imposed an embargo on soyabean exports, provoking severe criticism. Instead, they will rely on "price rationing" — ie, higher prices — to bring supply and demand into balance. This is ominous news for livestock producers throughout the world.

Yet, for both grains and oilseeds, the drop in supplies is likely to be just temporary as the U.S. bounces back from the effects of drought and the PIK programme.

Early reports indicate that U.S. farmers, stimulated by high prices, will increase wheat plantings by the maximum possible, sowing "fence to fence." It is now extremely unlikely that there will be a PIK programme to reduce U.S. maize plantings in 1984—presidential election year.

This pattern of increased plantings is likely to be followed worldwide. So given even reasonable weather conditions there could be a massive grain crop next year. Only if the weather is poor again will the world face a real shortage.

THE ARTS

Alastair Muir

Rosalyn Landor (left), Penelope Keith and Mark Payton

Hay Fever/Queen's

Michael Coveney

Noël Coward's 1925 comedy is bereft of plot but beautifully crafted, a superb meringue constructed along sonata form principles. The Cookham home of a retired actress, Judith Bliss, is invaded by week-end guests and subjected to the private theatricals of an eccentric family. As the 1964 National Theatre production demonstrated, the glorious froth arises from scenes of social embarrassment, studied snobbery and ostracism.

Kim Grant's revival has all the speed and panache of that famous National occasion and triumphs even over the minor adversities of an overblown setting, by Carl Toms, and eccentric casting. Myra the vamp, for instance, tenaciously played by Susan Bovell, looks unfortunately like an aeroplane hostess on her first entrance. And the Georgian mouldings and baronial staircase hardly conform to the text's insistence on a cramped living room and the genuine concern over which of the guests is to occupy the Japanese room or "Little Hell."

Most people, of course, will be going to see Penelope Keith as Judith. She certainly has a touch of morning dew about her: she is sharp, quick, ineffably bossy and actually rather glamorous. Why, you wonder, has she retired? Out of pique, probably, judging by the relish with which she reads of Mary Saunders's latest failure, at Sunday breakfast. The call will no doubt come the moment the curtain descends.

Marcel-waved and beautifully dressed, Miss Keith probably feels most at home in the garden. She establishes a special relationship with her wellies, but surprises with her expert delivery of a French song in the second act. By this time the family foursome are convincing the intruding quartet that it was not bliss that dawn to be alive.

The shading of post-prandial social mullarkey into serious cod melodrama is triggered by Miss Keith's shocked reaction to the upright diplomat's (Donald Pickering) kiss on her neck: "What are we to do?" she shrieks, backing off along the length of the sofa and arranging her limbs into another coy art deco posture on "June has always been an unlucky month for me."

The snappiness of execution is witnessed by my guest's reaction to the fallen barometer (buried in piano music, in a pleasant piece of original business by Mr Pickering): "Did he improvise that?" And *the last act is memorably taken* over by Elizabeth Bradley's maid, stalking the guests with a ferociously sinister enquiry as to their well-being before clearing the crockery with a hilariously mumbled rendition of "Tea for Two."

Moray Watson is splendid as the novelist husband, Rosalyn Landor and Mark Payton bright and lively as the children. There is an eye-catching contribution from Abigail McKern as a damp flapper.

La Passion de Gilles/Brussels

Arthur Jacobs

Burned at the stake in 1440, identified as heretic, murderer, invoker of demons, and sodomite, Gilles de Rais is not the likeliest operatic hero—even in these days. Nevertheless we are invited to sympathise with his "passion" (in the religious sense) in Philippe Boesman's new opera, unveiled last week at the Theatre de la Monnaie, Brussels.

In that city such a premiere is a major event. Not for 29 years has a new Belgian opera taken the stage at the Monnaie. The commission for *La Passion de Gilles* sprang from the invigorating touch of Gerard Mortier, who became director of the company in 1981 and who promptly engaged Sir John Pritchard as principal conductor. Meeting the challenge of Belgium's communal division, Mortier has in fact commissioned *two* works. Boesmans, despite his Flemish surname, is a French-speaking composer who has set a French text by Pierre Mertens; André Laporte, a Flemish composer (with a French name, is meanwhile working on an opera in Flemish, to be based on Kafka's *The Castle*.

The historical association of Gilles de Rais with Joan of Arc gives the plot its thread. The first act sees them as comrades in the abortive siege of Paris. The second act takes place after her execution: in his castle, advised by a sorcerer, Gilles is carrying out a ritual torture of children when a "false Joan" confronts him. Thirdly, a presumably imagined Joan visits Gilles in his condemned cell. An unrealised love between them is hinted at, but the main link is the supposed similarity of Joan's "crimes" (in the Church's eyes) with his own. We are left with a thoroughly nasty pseudo-morality, which becomes no more convincing by the reference in a programme-note to "the banality of evil" (Hannah Arendt on Eichmann).

It is impossible to withhold admiration from the way in which Boesmans's musical skill paces the plot and differentiates the characters. It is not an easy or tuneful musical idiom. Though the 47-year-old composer proclaims it as less extreme in modernity than that of his earlier works, it challenges the opera public more aggressively than, say, David Blake's score for his recently revived *Toussaint*, not to mention Wilfred Josephs' for his new *Rebecca*. But it convinces, one particular phrase at the beginning of the acts helps to impose an immediate unity, and the occasional cadencing on a strongly pronounced major or minor key is made dramatically effective.

Under the confident conducting of Pierre Bartholomée, the cast is led by the excellent Peter Gottlieb, lending the monster-hero the physical dignity which he needs here; the ardent vocal and physical delivery of Carole Farley as Joan complements it splendidly. Alexander Oliver, admirable as the sorcerer Prelati, continues the flow of British artists to Brussels; and the part of Minguet (first Joan's page, then Gilles's), stupidly transformed by the producer from a male to a female, brought out the limpid, youthful tones of Colette Alliot-Lugaz.

The clumsy touch of the producer, Daniel Mesguich, was typical. He confused the logic and linear development of the whole piece by introducing non-singing characters in modern dress, by suppressing incidents which the libretto requires, and by gratuitous effects of mirrors and smoke. In Britain the classics of opera are too often helplessly mauled in this way, but to impose such a re-interpretation — ready-made, as it were — on a new work in the presence of composer and librettist perhaps marks a new height of presumption.

The scenery by Alain Batifouillier was economical but efficient; the costumes by Laurence Forbin were gimmicky, with a half-skirt (on one side only) worn by the Maid of Orleans in order, I suppose, to indicate half-femininity. I think I shall continue to remember her in traditional armour as Shaw's Saint Joan.

Buried Treasure/Tricycle

Martin Hoyle

Take a priggishly dry stick —a writer, say; his adoring but mousey spinster secretary; his glamorous ex-wife who plots remarriage to obtain a legacy; her sidekick, the spinster's scallywag young brother; a char who turns out to be a professor of mathematics; and a set that combines the elements of office and conservatory; and you have the sort of boulevard comedy that one thought had twittered its way into extinction over 20 years ago.

Sadly, you also have the new play from Olwen Wymark, usually a writer of seriousness and sensitivity, whose concessions to modernity here include a male Chinese char who fancies the spinster, the absence of french windows — though the conservatory door and a set full of furniture to hide behind almost make up for the loss of the familiar — and some achingly predictable business with revelatory cassettes.

As the writer, Michael Jayston suggests tousled boyishness under rumpled middle age, and Prunella Scales's secretary seems to be assuming the late Celia Johnson's mantle of unassertive middle-class niceness lined with bland self-assurance. As if aware of this character's inconsistency the playwright throws in such escape clauses as "It's so completely unlike her" and (the greatest admission of defeat) "I've changed." "Yes, you have."

Saul Radomsky's set and Ken Chubb's direction do all that can be expected, but this sort of play is already on view in the West End. As Cheryl Kennedy, playing a blonde called Poppy, rattled off her lines as if glad to be rid of them, I realised that *Buried Treasure* must be the companion piece to the hapless *Nothing On*, eternally touted round the provinces, Flying Dutchman-fashion, by Michael Frayn's flustered company in *Noises Off*. Ms Wymark can and should do better.

Conversation Pieces/Leger Galleries

Roy Strong

A singularly English art form

The English 18th-century conversation piece was a rediscovery of the 1930's pioneered by Sacheverell Sitwell's *Conversation Pieces: a Survey of English Domestic Portraits and the Painters* which appeared in 1936. It was one that harmonised admirably with between the wars romanticism with its cult of the England of that period and its elegant arts, impulses which contributed to the establishment of the Goergian Society.

Although Ralph Edwards' *Early Conversation Pictures* was published in 1954 it was not until the 1960s that the price of this kind of picture began to rocket sharply and this was conditioned by the collecting of Paul Mellon.

American taste earlier in this century had, of course, focused on English pictures in the grand manner, Reynolds, Gainsborough or Romney, but Mellon changed direction in favour of what was regarded as a rejection of artificial aristocratic formality in favour of the honesty and robustness of the world of the backwoods gentry with their devotion to home and hearth, landscape and garden, horse and hound.

Unfortunately, the research stimulated by this very collection was shortly to prove that these pictures were as artificial and pretentious in their attitudes and attributes as the grander style that had rendered them *démodé*.

The delightful exhibition at the Leger Galleries (until November 25) reminds us of this. Its title is unfortunate: *Realism through informality*. Neither is true. The conversation piece evolved from the topographical landscape tradition of the previous century, above all that which placed the owner with his family and retinue before the mansion house.

Add to this familiarity with domestic groups by a de Hooch or a Metus and the Frenchified roccoco art propagated in the London of the 1720s by Hubert Gravelot and Philippe Mercier and the salient influences that sired this peculiarly English art form are pin-pointed.

As the exhibition reveals, it had its periods and phases but its heyday was the 1730s and 1740s in the early work of Gainsborough, William Hogarth, Arthur Devis and Edward Haytley. After 1760 the boom dwindled and this generation was replaced by two leading new exponents, Johann Zoffany and Francis Wheatley.

Detail from Arthur Devis's painting of Mr and Mrs Parker

What needs to be stressed is that these elegant tea parties in sparsely furnished rooms or encounters in the park are as mannered and invented as any great lady masquerading as Juno by Reynolds. The average viewer finds it difficult to look at these pictures without believing that what he sees is the real world of early Georgian England. One can understand why. It is because they project an ideal world with which we would like to identify and which we would like also to believe existed.

Devis is a test case and there are two splendid pictures by him, one from the early-1740s and a second dated 1757. The former, of the Crewe family, depicts them about to have tea. Through a doorway to the right a servant carries up the silver kettle. One of the Crewe brothers bears his little neice in his arms. Five members of the family sit around a tripod table, while others stand or lean on the backs of the chairs.

The room is empty, with a Venetian window at the back devoid of curtains, and bare floorboards. The key as to how to look comes from a looped-up curtain for it is lifted like one in a theatre. Devis in fact always places his sitters in scenery of his own invention, designed to flatter their desire to be genteel. Even their clothes are invented, for he kept doll-size lay figures which he arranged and dressed.

The second picture 10 years on is the finer and this time projects an exterior arcady. It is all too easy for us to read it as Mr and Mrs Parker gazing out from their particular patch of rural England. But the setting is an idealised one, a landscape that has no relation to their part of Yorkshire. A stable, horse and groom tell us of the sitter's gentlemanly sporting pretensions as do his cane and elegant stance. Husband and wife stand beneath a tree lifted from a landscape by one of the Dutch masters and Mrs Parker's dress turns up in other colours on other ladies by Devis!

The Leger Gallery exhibition is just right in size for us to tackle this way of learning how to read these pictures. And should do the same to the Gainsborough of Mr and Mrs Carter spreading themselves on a garden seat beneath stylised trees with a mouldering garden statue behind them that cannot have existed.

Other pictures take the idyll on. Francis Wheatly's Campbell conversation piece and Zoffany's one of the Blair family work on basically the same principles, the latter arranged in a fictionalised Indian interior into which the painter has introduced three landscape paintings. Did they ever exist? I fancy not and clever Colonel Blair was getting four Zoffanys for the price of one.

This exhibition wanders from its central theme and so shall I. Two groups of pictures should not be missed. The first is three views recording the Duke and Duchess of Leinster perambulating through their vast landscape park at the close of the 1770s. The artist, Thomas Roberts, died young and these must rank among his masterpieces. They extend the imaginary theme of the conversation pieces but in reverse, for here we see nature tamed and ordered into an imaginary ideal formed by the literature of antiquity.

Do not miss the two bravura sketches by Wright of Derby of John Stavely. Painted with all the fire and reminiscence of a Rubens' apostle they are works of quite exceptional vigour and genius. And they too inhabit an imaginary world.

Familiar ring to Broadway melodies

Far from breeding contempt, familiarity continues to inspire confidence, at least among Broadway producers. *La Cage aux Folles* at the Palace and *Zorba* at the Broadway bring to the stage works that had previously proved their popularity as films. In reversing the once-normal procedure of filming plays, Broadway seems to confirm the suspicion that with high ticket prices, audiences are expected to be tourists prepared to spend top dollar for a night on the town, where hoopla and marquee billing count for more than the more modest attributes of quality book, score and acting.

La Cage was destined for the American stage as a musical ever since the surprise success of the film several years ago. Originally meant to be transported to a New Orleans setting as *The Queen of Basin Street* with Mike Nichols directing, it ended up back in St Tropez under Arthur Laurents, with music and lyrics by Jerry Herman and book by Harvey Fierstein, who so eloquently mined similar material in his *Torch Song Trilogy*.

Despite the long gestation and opportunity to play out the theatricality of the story's night club setting, the best parts of the musical are derived straight from the film. It is in its intimacy that the musical, like the film, succeeds. Apart from the first act finale, where the stage show of the nightclub is a rousing, rambunctious and nimble variation of Toulouse Lautrec figures dancing to *Gaîté Parisienne*, the several night-club scenes tend toward flouncing and prancing down staircases like an outre fashion show.

While Gene Barry makes a rather stiff-limbed Georges, George Hearn is a flamboyant and elegant Albin who wins over the audience with his first number, *A Little More Mascara*. In it, he transforms himself into his exaggerated ageing Sara Bernhardt rote as Zaza.

Like the book, the best parts of the score reflect the intimacy of Albin and Georges's dilemma in entertaining Georges's son, his fiancee and her parents. While the son, played with anodyne innocence by John Weiner, feels confident that his father's masculinity can be convincing to his moralist politician-cum-father-in-law (Jay Garner), Albin is heartbroken by his banishment for the occasion.

The tragicomic results should be perfectly matched by Harvey Fierstein's abilities to put pathos into what might otherwise seem to be merely bathetic outpourings of indulgent drag queens. But while these scenes between Georges and Albin do work, they come straight out of the film and the gigantic production numbers, which are the original contribution of the musical, strain to be impressive with little connection to or even use of the supposed star, Zaza. The most original aspect of the twists of role-playing in the musical is having two women in the transvestite chorus, "Les Cagelles," as revealed in the more gaudy than tasteful finale.

If *Cage* can be faulted for its extravagant excesses, *Zorba* suffers from making New York the latest stop of a cross-country tour, with a shallow set that looks like generic adobe exteriors against a rough-hewn plaster backdrop. The revival of a 10-year-old musical that originally starred Herschel Bernardi, the production now boasts the film's director, Michael Cacoyannis, and its stars, Anthony Quinn in the title role and Lila Kedrova as the ageing Madame Hortense.

The bouzouki music in John Kander's score gives the gifted company a lighthearted lift, even if the star's famous dance has slowed a little in 20 years. Joseph Stein's book brings out the peasant wisdom that Quinn continues to exude with rough masterly charm while clutching the cloth cap of endearing working-class modesty. Lacking anything new, Broadway has at least mastered the art of assembling the best of other media to bring to the live stage.

FRANK LIPSIUS

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

October 21–27

Exhibitions

LONDON

The Tate Gallery: New Art – an extensive and extraordinary survey, quite positively open-ended and non-definite, across current international activity in painting and sculpture. It is in the main a loan exhibition with significant augmentation from the Tate's own collections, which, if it seeks to do anything, places what has come to be thought of as the New Spirit in painting, that is to say the expansive and often violent figurative expressionism of such artists as Clemente, Chia, Salle, Kiefer, Immendorff, Penke, Fetting, Schnabel, into the broader context of the Art of two decades past. Ends Oct 23.

The Barbican: Matthew Smith – an illuminating retrospective, long overdue, of the life's work of one of the most truly French of British painters of this century. And yet he remained a most English expressionist, the sharp, bright Fauve colour of his early years modifying in range and tone to darker, quieter effect. Ends late Oct.

PARIS

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B.C. *are being shown* at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9 1984). Closed Tue, Wed late closing night 10 pm (261 54 10).

Turner (1775-1851) – the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes – through his fascination with the effects of light – one of the forerunners of abstract art. *Grand Palais* (Oct 15–Jan 16). Closed Tue (2615410)

Liège Modern Art Museum has lent its collection of choice items – one of Monet's first paintings and one of Gauguin's last. Also e surprising, Blue-period Picasso – to the Centre de la Communauté Française de Belgique. (Tel: 2712816), 11am–6pm, closed Mon, Ends Jan 8.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalie Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and re-producer Henri Lebossa. One World Trade Center, 105th storey.

Manet (Metropolitan Museum of Art): Almost 200 important paintings *marking the 100th anniversary of* the artist's death are included in the most comprehensive Manet exhibition for nearly a century. Ends Nov 27.

WASHINGTON

National Gallery:Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man to order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984.

Hirshhorn Museum:Direct Carving in Modern Sculpture is a cleverly assembled show from the museum's own collection of works by Brancusi, Gauguin, Hepworth, Moore, and Noguchi, among others, showing the taille direct technique as revived in the late nineteenth century and used even today. Ends Nov 27.

CHICAGO

Museum of Contemporary Art:More than 100 works of the provocative, if not outrageous, sculptress Louise Bourgeois comprise the first major retrospective of her work, going back to the 1940s. The sexual and Women's Lib themes of recent times gained the artist e notoriety, here put in perspective. Ends Oct 30.

BRUSSELS

Ann Beyden:paintings and drawings. British Council. Ends Oct 28.

WEST GERMANY

Düsseldorf, Tonhalle, 1 Ehrenhof: "New Glass in German" has 280 colourful decorated glasses, vases, bowls and pictures by 59 contemporary artists. Ends November 6.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: the exhibition focuses on the 27 sculptures by Willem de Kooning, the American painter and sculptor, since 1969. Ends October 30.

Frankfurt, Städtische Galerie im Städel, 63 Schaumainkai: the exhibition has the sculpture 'The King of the Mountain' as well as 57 drawings by Josef Beuys, the German object artist. Ends October 30.

Krefeld, Kaiser Wilhelm Museum, 35 Karlsplatz 35: A sequence of etchings depicting and warning of the horrors of war dating from 1924 by Otto Dix, one of the German artists banned by the Nazi regime who are now belatedly coming into their own. Ends October 30.

Berlin, Nationalgalerie, 50 Potsdamer Straße: 'New West German painting' shows up today's artistic trends through 139 pictures by 35 artists selected for this purpose with the help of a competition. All works date from 1980. Ends Oct 30.

Krefeld, Haus Esters, 97 Wilhelmshofallee: 20 large-sized American quilts from between 1880 and 1940, showing mostly geometrical patterns. Ends Oct 23.

Nuremberg, Kunsthalle, 32 Lorenzer Straße 32: a survey of the contemporary arts scene in East Germany *documented* by more *than* 200 works by 13 artists. Ends Nov 15.

Berlin, Schloss Charlottenburg, Große Orangerie: 300 paintings and drawings created since 1966 by Achim Freyer, the Berlin stage designer. Ends Oct 30.

Berlin, Nationalgalerie, 50 Potsdamer Strasse: 180 figurative and abstract wooden, bronze, wire and rolled-steel sculptures by Pablo Picasso. Ends Nov 27.

Hanover, Wilhelm Busch Museum, 1 Georgengarten: The first venue of the roving exhibition with 176 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8.

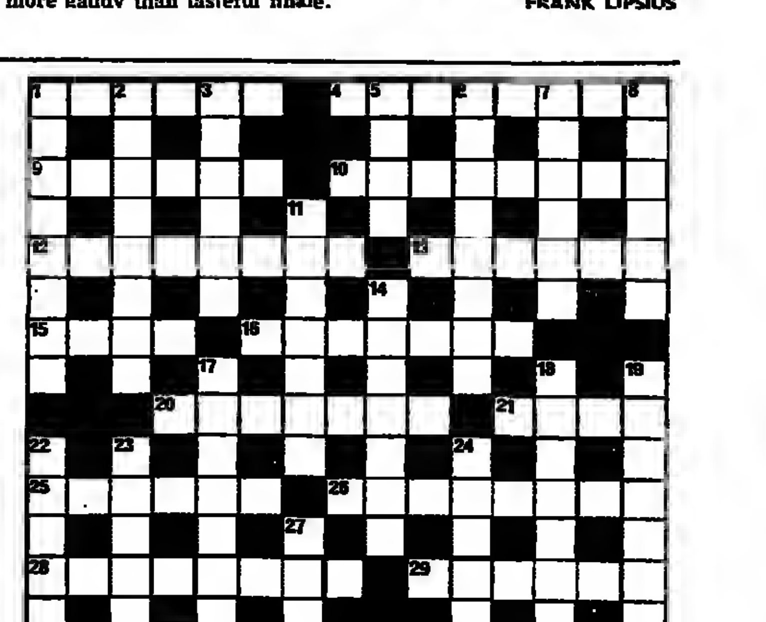
Bonn, Städtisches Kunstmuseum, 7 Rathausgasse: More than 200 drawings by Jonathan Borofsky, the American artist, who has become known for his work shown at the last Kassel documenta, the great West German art exhibition. The pieces shown in Bonn date from the last 23 years. Ends Oct 30.

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

F.T. CROSSWORD PUZZLE No. 5,253



ACROSS

1, 4 Running away with pipe in black box (6, 8)

9, 10 Policeman, weaver, and journalist, wholly reliable (6-8)

12 Women corresponding with *the sea—Navy?* (4, 4)

13 Old relic of ship in silver paper (6)

15 French leader swallowed the lot? (4)

16, 20 Hut on wheels for beach —main thing, maybe, once (7, 7)

21, 25 Damaged set interrupts baby's flatulence, as they say, across the ocean (4, 7)

26 Variety of fern, or it may do for the border (8)

28, 29 Sporting body two lengths round globe (8, 8)

30, 31 Indian trees less adapted to those that aren't naturalised (8, 6)

DOWN

1 Look up words for renovation? (8)

2 Scot free state? Devil a one! (8)

3 Asinine remark? (3-3)

5 School of rising fame (4)

6 Defeat without KO, dismissed by fieldsman? (8)

7 Inside misery is death (6)

8 Puzzle with gaps in it (6)

11 Pay them out for understanding (7)

14 Place for Mass — not sure about New Testament (7)

17 Comfortable resting-place on river bottom? (5, 3)

18 Sweetmeat for summer in Guernsey (8)

19 Like an ordinary cast on a dark night? (6)

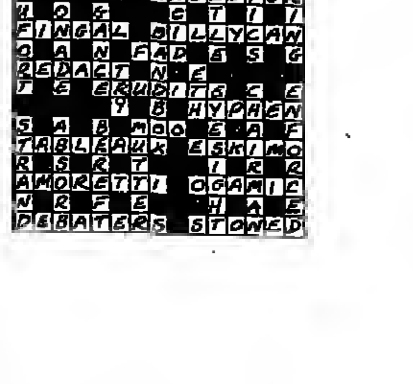
22 Steal file, possibly, in search for good image? (8)

23 It's nasty to serve up bills (6)

24 Reveal oneself by string-pulling, maybe (6)

27 Tribe, destined to be secret? (4)

Solution to Puzzle No. 5,252



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Thursday October 27 1983

The alliance under stress

THE U.S.-LED invasion of Grenada can be considered from two perspectives; one narrowly focussed on the event itself, the other more hroadly seen in the general context of American foreign policy making. Both are deeply disquieting, and raise profound questions about the confidence that the European allies can have in the responsibility of the Reagan administration.

Contrary views

From the narrow point of view, there can be little doubt that the invasion is an infringement of the UN charter, to be condemned as a violation of the principle of self-determination. To the extent that it was designed to ensure the safety of U.S. citizens, it may be justified on humanitarian grounds. But to the extent that its real purpose was to "restore democracy," the Americans have been trampling where they have no business to go. Nor is there any reason to suppose that the U.S. marines are an appropriate instrument for political reform.

Much has been made about the precise moment when the British Government first learned of the invasion plans. The one thing that is clear, from the speed with which President Reagan decided to take part in the invasion, is that be had no intention, et any time, of listening to the contrary views of the British Government.

In the broader perspective, the invasion of Grenada echoes all too disturbingly e general pattern eccording to which the Reagan administration not merely tries to simplify all international problems into a struggle between freedom and communism, but also sees military force as the preferred instrument for dealing with them. Sometimes the use of military force may ultimately be unavoidable. But the Reagan predilection for it, and the manicheism of his view of the world, have undoubtedly played a part in helping to raise international tension.

This militarism is most striking in U.S. policy in Central America. The countries immediately surrounding the region, such as Mexico and Venezuela, have the strongest incentives for understanding the problems of El Salvador and Nicaragua, and the most powerful reasons for fearing a deterioration of the security situation. Yet their consistent advice, that there is no military solution to these problems, has been as consistently ignored by Washington.

In the Lebanon, the ostensible function of the multinational force is that of a symbolic peacekeeper, in order that the Lebanese Government may have an opportunity to recover the unity, sovereignty and independence of the country. Yet all too transparently, President Reagan's purpose is to be an actor on the scene, safeguarding a stretegic asset against what he sees as America's enemies. For a brief period, when be was special envoy to the Middle East, Mr Robert MacFarlane seemed to grasp that there can be no peace in Lebanon without an understanding with Syria.

Since last Sunday's bomb outrages there is reason to fear that the multinational force may now be dangerously trapped and may even be counter-productive.

At times, the leading west European countries have publicly distanced themselves from particular facets of U.S. foreign policy: the French Government has condemned the invasion of Grenada, the British Government has merely regretted it. Bnt on the central issue of East-West relations, the European members of Nato have no alternative but to cleave to their most indispensable security guarantee, the alliance with the U.S. On this front, there can be no feulting the loyalty with which Britain, France and Germany have supported U.S. and Neto policy in the Euro-missile controversy.

Primary aim

But loyalty does not and should not mean unquestioning subservience. Many times in the past, the European allies have called for more consultation from the Western superpower, many times they have regretted its absence. The more the U.S. indulges in ill-considered unilateral actions, the more essential it is that the European allies should concert their own policies. The primary aim should be to exert a sobering influence on Washington; failing that, publicly to set out a distinct European point of view.

Framework for British Telecom

THE DRAFT licence for British Telecommunications, which was published on Tuesday, sets out the proposed operating framework for the UK telecommunications industry for et least the next 25 years. It, therefore, has to balance e number of crucial policy objectives. These include consumer protection, e desire for increased competition and greater efficiency, and the needs of e company which wants to develop into a major force in the world telecommunications market and which is heading for private ownership.

This week's proposals will not still the doubts which exist about whether the Government is getting this balance right. From the consumers' point of view, the licence spells out in some detail the obligations which will be imposed on BT to maintain the public service aspects of its business—emergency services, call boxes and so on. These appear to provide a satisfactory assurance that the company will continue to provide e universal telecom service.

What is much less clear is whether the reform package will lead to a significantly wider level of choice for customers, or present major new opportunities for suppliers. It is true that the licence will require BT to connect its system to that of any competitor and will not allow it to set outrageous terms for such interconnections. But competitors will in turn have to be licensed and the Government has made no secret of the fact that the scope for new entrants will be very limited.

Success

A number of fundamental decision have yet to be taken. These include whether to extend the limits which will be imposed on the prices BT may charge for its local network calls to cover trunk calls as well, and the extent to which the company will be obliged to sell spare capacity on its circuits.

Yet even if Mercury, the one independent telecommunications group, turns out to be a higger success than looks likely at present, it seems that BT's market dominance in the provision of services will scarcely be dented.

When it comes to the supply of equipment, the licence will also attempt to impose limits on BT's ability to exploit its existing market dominance—and here again the effectiveness of the proposals is questionable. The company will not be allowed to cross-subsidise its apparatus supply or production ectivities, which will have to be split off into separately audited entities. With few exceptions, it will not be permitted to enter exclusive dealing arrangements, or to make sales which are conditional on the purchase of other supplies or services.

Changes

These are welcome changes, yet it seems improbable that they will lead to BT's role as th main UK distribution channel for subscriber equipment being seriously challenged. Its suppliers, at any rate, scoff at the idea that the licence terms will make mnch difference in the marketplace.

They say it would be madness to risk the displeasure of such e powerful customer by attempting to enter into direct competition. Some argue that the only way to bring real change would be to place specific restrictions on BT's freedom to sell into certain segments of the market.

All this is not to say that the process of liberalising the UK telecommunications industry is proving a waste of time. Spurred by the prospect of change, BT has launched a wide range of new products and services, improved its financial controls, and sharpened its marketing efforts.

There is still plenty of room for improvement. And the issue is being confused by the way that the drive towards liberalising the system is being accompanied by the move to privatise the company. The two goals are not dependent on each other and may even be contradictory. For example, the act of privatising the company will in itself restrict further efforts to open up the marketplace: the Government will have to spell out in the prospectus how much competition it is prepared to tolerate and will have to stick to those undertakings.

The worst outcome would be if short-term political and financial considerations were to be given precedence over the long-term interests of the telecommunications industry. Thet prospect is beginning to look uncomfortably possible.

BRITAIN'S TRADE UNIONS

Mr King's powerful little Bill

By John Lloyd, Industrial Editor

THE Trade Union Bill is—in broad brush terms—difficult to oppose, easy to defend. It probably represents a political ace for the Government and the unions know it.

"The great thing about this," says Mr Tom King, the affable new Employment Secretary, "is that somebody has done just about every bit of it." That is, some unions already have ballots to elect union executives: ballots on strikes; and (Mr King stretches a point) some unions—as, presently, the Civil and Public Services Association—have been consulting their members on setting up a political fund.

Indeed, the most militantly-led union in the country—the National Union of Mineworkers—is in this respect a model. All of its officials are elected—more of them, in fact, then the present legislation would require—and all of its strikes must receive et least a 55 per cent endorsement on a pithead ballot.

On the right of the Labour movement, the engineers and the electricians are similarly wedded to ballot democracy, and the latter would probably not grumble much about a periodic ballot on its political fund. Union democracy of the kind prescribed by the Bill does not automatically benefit the left or the right—it has favoured the extremes of both

Breach of contract issue may lead to arguments

in the CPSA—and thus cannot easily be represented as politically partisan.

Mr King goes so far as to suggest that the Bill is a disinterested act in favour of democracy, which, far from weakening, may even strengthen and make more popular e presently unpopular movement. This is a far cry from the early, "neutering" days of Mr Norman Tehbit—but then, the later days of Tebbit were a far cry from these, too.

Even though Mr Len Murray, TUC general secretary, sharply attacked the Bill yesterday as "ill-conceived," there can be no question, then, of agreeable Mr King and his Bill becoming the hate objects of a public and popular campaign. But in the detail of the legislation, and in the way it will affect industrial relations, there are problems which will become more apparent as the Bill inches its way through the House of Commons and once it attains the statute book.

First, it is unusual: no other major European country legislates as much as the Bill will do for the internal affairs of unions. Unions in West Germany, France and Italy are legal entities and subject to the law for their actions — but they can elect their leaders and decide on their actions pretty much how they like.

The point is, however, that they are much more closely regulated in their external affairs, and these are relatively more important to them. For example, the co-determination legislation in West Germany lays down union representation, electoral procedures and duties et board and workplace; in France and Italy, the elections to works councils and — in France — to social security and industrial tribunal boards, are legally determined. Representation on these bodies — which have no counterpart in the UK — is crucial.

For all that British unions will be tied in more closely to State supervision than in most Western democracies — e propaganda point for Labour and the unions.

Second, the requirement to ballot for unions' leadership *will* disrupt arangements in those unions—like the two great general workers' unions the T&GWU and the GMBATU—where all or part of the executive not directly elected by the members but composed of representatives appointed to it by regional committees or trade gronp committees.

The Bill has been careful to preserve the principle of regional reprsentation—so long as all the members in the region can vote—but that will mean the new elected executive may be independent of the established regional committee structure, with scope for friction between the two.

Third, the provision for ballots on industrial action has not been uniformly welcomed by employers; and, as the Nalgo case shows (see panel), the fact that a ballot is held and shows support for a strike does not necessarily mean the strike has genuine majority support, and could make compromise or solution more difficult.

The experience of ballots in the U.S. shows, first, that they are usually won by union leaderships which want the strike; and second, that such strikes can last e long time.

The broadening of the Bill to include all industrial action in hreach of contract could lead to messy arguments: for example, is a work-to-rule in breach of contract or not?

The Bill also calls for a ballot within four weeks of the beginning of the action—a provision which could, in certain instances, be difficult to meet.

Finally, the provisions on the political funds raise important constitutional questions. Leaving aside the issue of the individual levy—on which talks will continue—the requirement for periodic ballots on a political fund could, in effect, deprive the Labour Party, already near the breadline, of much of its income with serious consequences for the democratic process.

To these, and other, objections, the Government has a many-sided response — one which we will see publicly deployed as the Bill grinds on in the months ahead.

To begin with, there is the blanket slogan, popularised by Mr Tebbit, that it will "give the unions back to their members".

Then, more sophisticated, is the contention that far from being a straitjacket, it is a rather loose garment than the unions have described it because it has been changed to accommodate some of their objections.

Further down the line, the Government will insist that whatever may be the charges, even disruption, after the Bill becomes law the provisions of the legislation will ensure that unions, employers and the public know what the real views are of groups of workers on this or that issue. This case — frequently made by Mr Frank Chapple, the electricians' leader and one of Mr Tebbit's favourite trade unionists — is strong, because politically it is hard to argue against people being asked their opinion.

Mr King is prepared to admit that the question of political funding could pose problems.

A few sparks may fly from the Bill yet

If, in the fullness of time, the Labour Party suffers such a loss of funds as to be rendered ineffective, the Government will have to consider the issue in the context of how political parties are to be funded—but that is another day's work.

In the year in which this legislation has been mooted, drawn up and finally presented to Parliament, the Government's posture vis a vis the unions has markedly changed. The great bastions of unreformed power are now as described by Mr King yesterday creaking structures which must be helped gently back into public favour.

It will be a tough test for Mr King, to carry through this new role as nursemaid when his successor made such a brave showing as a scourge. It will be equally hard for the unions to adapt to a newly legislative climate which they have little choice but to accept, but which they are not yet disposed to embrace.

But it is certain that the tests *will* be real: unlike the 1980 end 1982 Employment Acts, the 1983 Trade Union Bill will call for observance once it is law, or very soon afterwards. Mr Tebbit, clearly a man primed for action, never had to face more than rhetoric: his successor, to whom he has bequeathed his Bill, may see a few sparks fly from it yet.

Mr Tom King (left), holding a political ace: Mr Len Murray (right), a sharp counter-attack

THE LESSONS OF THE NALGO BALLOT

BALLOTS before industrial action, as recommended in the Government's new Bill, don't always produce the result that Ministers bope for—supposedly moderate trade union members don't always act as a brake on the allegedly more militant aspirations of their leaders.

The current industrial action over hours and premium payments by employees in Britain's local authority residential homes underlines both these points.

Britain has about 38,000 residential officers, employed to look after the old, the handicapped and youngsters in care. Four unions represent them, but the majority belong to the National and Local Government Officers' Association (Nalgo), which claims about 25,000, or two-thirds of the total.

Nalgo and the other unions submitted their claim for the residential officers in March 1982. They had virtually no response from the employers, and after 15 months the unions gave notice they would be consulting their members on industrial action.

Nalgo took the lead. First, the union contacted all its branch officers, asking them to identify how many residential officers they had in membership, and inform union headquarters of the total.

Armed with this information, Nalgo then sent out to its branches the exact number of ballot forms — numbered to prevent them being photocopied, and used for voting twice. Branch officials then distributed these to individual residential officers, who voted in secret, often at home, and sent the replies back to Nalgo in pre-paid, pre-addressed envelopes provided.

Even with this precedure, the poll was just over 50 per cent of Nalgo's membership—roughly 12,000, or only just over 30 per cent of the total number of Britain's residential officers.

About 70 per cent of the replies were in favour of taking action — say, about 8,500. This amounts to only about 34 per cent of Nalgo's residential officer membership—and only about 22 per cent of the total residential officers.

With these figures, Nalgo leaders were faced with some hard choices. Given that only a minority of Nalgo's own residential officers, let alone of the overall total, had voted in favour, should the union take action? But given that there had been a democratic, secret, postal ballot—"completely in accordance with what Mr Tebbit would have liked," according to one Nalgo official—how could the union ignore its message, and not authorise the action?

Moreover, many senior Nalgo leaders were extremely pessimistic about the industrial action's chances of success. In particular, they knew that like the workers in last year's National Health Service dispute, the very dedication and responsibility of the residential officers would not allow them to take full strike action—so they knew that they could not deliver the coup de grace which might force a settlement in their favour.

The residential officers' dispute is still dragging on; indeed, the industrial action is being stepped up. Many Nalgo leaders say in private that the action may well fail, but that their room to negotiate a face-saving deal is actually restricted by the ballot they have taken.

The lesson of the Nalgo vote, therefore, could be that a ballot before industrial action can hinder, as much as help, settlement of a dispute.

Philip Bassett

Men & Matters

Bird of passage

New technology, it seems, is at last going to make the National Coal Board's canaries redundant.

Every pit is still required by law to keep at least two of the birds for emergency use as noxious gas detectors by the mines rescue services. But their employment is much more widespread than that. Many miners, even yet, would sooner stake their lives on a canary than on electronic warning gadgets.

In the Yorkshire coalfield's 60 pits and four rescue stations, there are some 300 birds "in service." They are taken underground these days in glass-sided cages, each equipped with a mini revival kit of oxygen bottles.

Legislation now being sought by the Health and Safety Executive, however, would remove the obligation laid on the NCB to employ canaries. New early warning devices on the market are apparently considered efficient enough replacements. They not only detect gas but show the exact concentration in the air.

But even when the law comes into force, the NCB reckons it will be many years before the canaries are phased out. "It will simply be a case of reducing the numbers by natural wastage," says Wakefield mines rescue superintendent Brian Fee.

"I expect a few birds will be taken home as pets—they are very cheerful and always whistling."

Dust up

The EEC's Court of Auditors can always be relied upon to uncover some arcane, but expensive, absurdities in the way the Community runs itself. It is now kicking up dust about the peculiar contrasts between the cleaning operations carried out by the EEC's various institutions.

Why, for example, should the Parliament in Luxembourg have its windows cleaned between three and six times e year while, just across the road on the Kirchberg Plateau, the Court of Justice forks out for a monthly window wash?

In Brussels, the European Commission has e positive mania for clean carpets. Its miles of "Cyril Lord" are cleaned twice a year while all the other institutions tolerate dirty footmarks for as long as 18 months.

The Court of Justice has a cleaning contract which specifies that waste paper baskets and ashtrays will be emptied on 301 days e year—more days than the Court actually works.

The European Parliament pays BFr 310,000 for the collection of empty coffee cups, while the Commission lashes out BFr 360,000 for the same service.

Clearly, the cleaning sector is ripe for harmonisetion.

Secret weapon

East German government officials must be wishing they had never had second thoughts and let West Germany's leading rock musician, Udo Lindenberg, through the Wall.

"Der kleine Udo" was hanned from playing in East Germany after writing a song portraying Erich Honecker, the country's leader, as e secret rocker who locked himself in the loo to listen to West German radio.

The song, taped by East Germans, led the unofficial East German hit parade for a time—but made Lindenberg an unlikely candidate for further honours in the country.

Then in an interview with an East German newspaper, Lindenberg condemned President Reagan and lauded President Andropov. The result was an invitation to perform last Tuesday night at e televised East Berlin rock festival under the motto: "For World Peace: Away with NATO's Missiles."

Wildly cheered by 4,000 blue-shirted Communist youth members in East Berlin's Palace of the Republic, Lindenberg took the opportunity to announce: "In East and West we don't want any missiles. No Pershings and no SS-20s."

Stunned officials confirmed that it was the first time that anyone had even mentioned the Soviet missiles on East German television.

Off the scent

Beecham's advertising plans for its new pheromone-based perfume, Andron, as I reported last week, were dealt a rude blow by the Advertising Standards Authority, which ruled that the product could not be sold as a "sexual ettractant" for humans.

Hats off to Beecham, then, for changing the words without losing the message. The packets for both the men's and women's versions of the scent now claim that it "transmits attractant signals to any male (female) within sensory range with a message so powerful, so exciting, there can only be one response."

Let's hope that response is not another spate of complaints to the ASA.

Market sources

The great exploration for the source of the Eurodollar is in full swing.

I suggested that the inventor of the term may have been William Clarke, now director of the City of London's Committee on Invisible Exports. He referred in print to the Eurodollar market hack in 1960, when he was a financial journalist.

But there are long memories in the financial world. Felix Neubergh, aged 88, a Swede who is now retired and living in Monte Carlo happened to be passing through London yesterday.

"I invented the damned thing" he told me. Apparently in 1956 Neubergh was working in London as bead of the Anglo Portuguese Bank which was then owned by the state bank of Portugal. He arranged with the Banco Nacional Ultramarino (the Portuguese national overseas bank) to take that bank's surplus U.S. dollars and see what could be done from his London vantage point to keep them gainfully employed.

"I then loaned them to Italy," he recalls. The actual transaction was to switch the dollars into lire and then lend the lire to the Italian banks.

And that, the veteran banker is convinced, was the start of the Eurodollar market.

Any more suggestions?

Cover charge

Australian workers are renowned for their readiness to down tools at the slightest provocation—but the limit has surely been reached by a group of nearly 400 construction and maintenance workers at a Shell refinery et Corio, Victoria.

They are striking for time-and-a-half rates of pay for walking from one covered area to another when it is raining.

Many construction workers get extra pay for working in the rain but this is believed to be Australia's first industrial claim for walking in the rain.

Recent heavy downpours have not helped progress towards a settlement.

Gland ideas

"I am Chelsea's greatest lover," someone has scrawled on a poster in the King's Road. To which another hand has added: "You are suffering from delusions of glandeur."

Observer

ECONOMIC VIEWPOINT

Public spending: the third way

By Samuel Brittan

THE DEBATE between "Tory radicals" who are prepared to trim the welfare state (as well as other things such as military spending) to finance tax cuts and the "consolidators," who prefer a quiet life is profoundly unsatisfactory. For there are other choices.

It must not be assumed that those social market economists who favour e welfare state, in the sense of income redistribution and the non-monopolistic state provision of health and education, are on the side of the "consolidators." The letter are mostly political trimmers averse to radical thinking, and concerned above all not to rock the boat.

For there is a way of cutting income tax rates without attacking welfare spending. This is to curb the enormous amount of state support for special interest groups of all kinds. Such support distorts the use of resources and reduces the national income; while serving no social or anti-poverty purpose whatever.

Of course many special interest policies do not take a fiscal form, but are damaging nonetheless. They include import curbs on goods from the third world or southern Mediterranean countries, which burt the British consumer as well as the developing nations. They incinde all the many union restrictive practices such as the closed shop, which the years of Tebbit have hardly touched and which are both e threat to liberty and an institutionalised way of pricing workers out of jobs—and they have their counterpart in the entrenched privileges of many middle class professions sucb as lawyers. An ettack on fiscal privilege should be accompanied by an attack on these non-fiscal types as well.

The key to any onslaught is that it must be a combined operation. Neerly all of us belong to some interest group. (I am myself buying a flat on a mortgage tied to an insurance policy). If one group of beneficiaries, such as bome buyers, or industries suffering from import competition, is singled out, there will be e partially justified outcry. If all groups are tackled simultaneously there are the makings of a deal. Farmers and industrialists, home owners and council tenants, pension and life assurance schemes all give up something, but gain as well.

If ell these privileges are removed simultaneously, there is a very good chance of the representative citizen gaining in tax cuts or other benefits what he loses in interest group support. More important, the total gain to economic efficiency will be large enough to make e difference to him personally. There is an analogy here with multilateral disarmament. All countries would be better off with a balanced reduction in weapons of death, whereas no one country dare move alone.

Special privileges arise because each particular government favour has a large beneficial effect on one group, while the cost is spread thinly over the population. Bnt in the end the cost of the sum of all the separate privileges mounts both fiscally and in terms of economie waste. Moreover, the benefits often spill over to groups other than the intended ones. The intended benefit of tax relief for new home buyers is received instead by owners of existing property who benefit from the resulting high level of home prices. The intended benefits of agricultural support for farmers are eroded by the increase in land prices and rents.

In drawing up the table of the gains from reducing interest group privilege, I have been extremely restrictive in definition. For instance, while there is a strong case for an end to the NATO commitment to e 3 per cent annual increase in military expenditure, when it expires in 1985-86, this is not strictly interest group expenditure, however hard certain interest groups may be lobbying for it.

Also excluded are all expenditures which have e "publie good" aspect—that is, they can not be provided adequately by the market for technical reasons. Excluded too are all state ectivities meant in principle to improve the workings of markets or to deal with the spillover costs and benefits: for instance the fact that an employer's own expenditure on training will benefit his competitors if his young recruits depart. Thus, the whole of the Department of Employment's £3.3bn has been omitted from the table. Excluded again is public transport support, which in principle corrects for the congestion and other costs imposed by the marginal private road vehicle in the absence of proper road pricing. Of course there is waste and inefficiency in all these expenditures, but they are not inherently misguided.

A RADICAL PACKAGE

GAIN FROM REMOVING SPECIAL INTEREST SUPPORT

	£bn, pa
AGRICULTURE	
Reduced UK grants and stiffer attitude on EEC prices; plus abolition ef tax privileges	2
INDUSTRY	
Cuts in expenditure by Departments of Industry, Energy and Trade	1
End of 100 per cent first year depreciation etc; return to "economic depreciation"	2
HOUSING	
End of home loan interest relief	2½
Drastic cut in rent subsidies and council house building	1½
PENSIONS AND INSURANCE	
End of tax relief for pension schemes	1
And for life assurance and retirement annuities	1
TOTAL SAVING	£11bn

Author's estimates derived from 1982 Public Expenditure White Paper.

The programme need not be political suicide if introduced as a package deal.

Nor have I tried to cost the effects of other desirable changes such as taxing child benefits. The most important impact bere would be to make the tax progression slightly more progressive in its middle ranges rather than eliminate interest group support.

The latter is defined as support for any group on grounds other than low income, family size, health needs or other very general characteristics. Support for particular occupations or industries is an interest group measure. Social security payments are not. Interest group support also comprises privileges for special assets or activities such as occupational pensions, or bricks and mortar. Included in the total too are certain tax concessions as well as overt subsidies, as the distinction between the two is arbitrary.

The estimates, although very rough, ere also very cautious: e pamphleteer could have produced plausible ones very much larger. The benefit is shown in 1984-85 terms for convenience, although the full effect would take years to show itself, assuming that the privileges are phased out gradually. It would be necessary to write e separate essay on each of them to justify the estimates, but they will serve as orders of magnitude.

The estimates for agriculture accept continued reluctant British participation in the Common Agricultural Policy. But they do presuppose large inroads on the £0.8bn spent in direct British support measures outside the CAP, as well as on-farm tax reliefs—exemption from rates alone costs at least £0.6bn. It also presupposes greater success in securing lower EEC support prices once British ministers go all out for cheap food without worrying abont boosting domestic agricultural self-sufficiency.

Expenditure by the industrial departments, excluding Employment, is estimated for next year at £2.1bn. Half of this at least could be phased out if the state stopped trying to "pick winners" and realised that well intended regional policies create more problems than they solve — for example in discriminating against once-prosperous regions such as the West Midlands, and in supporting capital-intensive, labour saving industries. One hundred per cent first year depreciation may well have had the same effect and actually aggravated the unemployment trend.

The third section of the table enumerates once more the effects of phasing out interest relief for home buyers, combined with e move towards market rents in council bouses and the ending of council house building outside special inner city problem areas. The package is sensible, politically balanced, and therefore controversial.

The final section of the table does not pretend to analyse the whole vexed question of the taxation of savings and of investment income. It is merely a minimal estimate of the cost of concessions which divert savings to the large institutions, whether pension funds or insurance companies, and away from personal investment, whether direct or portfolio, which could make use of investors' specialised local knowledge. Schemes to help small companies only partially compensate for the initial discrimination against them and are an example of one distortion breeding another.

The table gives a rough estimate of total savings from phasing out interest group support of £11bn. If £1bn eccrues directly to the consumer in lower food prices some £10bn is left over for tax relief. This should be sufficient eventually to reduce the basic rate of income tax by 10p to a level of 20p, or alternatively to raise the single personal allowance by nearly £2,500 to well over £4,000—or to raise child benefit dramatically. Some compromise between the three could have a dramatie effect on the poverty trap and improve work incentives in the middle ranges as well.

But the main gain from phasing out interest group privilege would be in the distortions removed.

The smaller table shows the effect of fiscal distortions, together with inflation, on the yield on an investment. The personal investor loses heavily, incinding cnyone foolish enough to buy a house outright. The apparent gainers are pension funds and homa borrowers The distortionary effects on the direction of investment are surely obvious. To eliminate them completely it would be necessary either to abolish inflation or to make the tax system inflation proof. Nevertheless the phasing out of fiscal privilege would be e move in the right direction.

The programme summarised in the main table may be political suicide if introdoced item by item. The prospect could be different if it were introduced as e combined package after e careful explanatory campaign. It should after all appeal to social market economists of all political persuasions.

Unfortunately, the same imperfections of the politieal market place which prodnce the distortions discourage any attack on them. The need is for a political reformer willing to take an across the board rather than an issue by issue approach. For the latter rules out anything more radical than an annual repetition of Lord Whitelaw's so-called Star Chamber to trim a bit at the margins with a maximum of political acrimony.

FISCAL PRIVILEGE

Standard basie rate taxpayers. Actual inflation. Tentative estimates.

	1978-79 to 1982-83 %
Tax exempt savings	+ 31
Interest bearing accounts	−117
Building society accounts	− 79
Low coupon gilts	− 48
Shares—constant real val.	− 40
Shares—5½% dividend	− 52
UT/ITC Unfranked inc.	−220
Pension funds	+ 47
House owned outright	− 26
House with mortgage	+ 33

This table, worked out by the Institute of Fiscal Studies, shows the relative degree of privilege or discrimination experienced by a standard rate taxpayer on different categories of investment as a result of the combined effects of taxation and inflation. The degree of privilege is expressed as a percentage of the underlying real rate of return gross of tax. This is assumed to be 3 per cent.

Lombard

A muffled groan from managers

By John Lloyd

MANAGERS are the *cadre force* for Britain's economie recovery, according to Sir Terence Beckett, director general of the Confederation of British Industry. Yet their state of mind about the future and their role in it—as revealed in e survey published this week by the CBI end the British Institute of Management — is coofused and ambivalent.

The survey sbows them et once anxious and eleted, depressed over low profitability and lack of price competitiveness while buoyant about their companies' future. They think they are working longer bours end ere too heavily taxed, but they believe they are getting better co-operation from emoloyees and more "job satisfaetion."

They are not particularly concerned to have government aid. There is one, uncomfortable (to the CBI) exception to this: many believe that the Government should "injeet more money into the economy," e rather different view from that of the CBI, which believes that any "money injeeted" should be modest and geared exclusively to capital expenditure.

Both Sir Terence and Mr Roy Close, the BIM's director general, made mueb of the survey and of the fect (if it is one) that British managers have not enjoyed elther the attention or encouragement they merit. Mr Close said they were far better than they were often given credit for; Sir Terence, more dramatically, said that "everything is going to depend on them." Both men egreed that the exercise should continue, in order to construct a moving picture of the feelings, fears and forecasts of this key group.

They must be right in their estimation: the country's managers are of enormous importance to the country's future economic bealth. The Government has made it clear that it wishes to continne—and, with Mr Norman Tebbit at the Department of Trade and Industry, accelerate—the reduction in its presence in industry.

The trade union movement, which had an opportunity to promote its officials and activists to joint supervisory status with managers and directors through the industrial democracy initiatives of the mid 1970s, botched the attempt. It is now reduced to the role of a junior partner—wbere it is e partner at all.

The Government, which managers and their organisations bave strongly supported, has ensured that they are the masters now, and thet, consequently, they have no one to blame for failure but themselves. In this may lie—as Sir Terence and Mr Close hinted earlier this week—the explanation of the contradictory responses to the questions posed in the survey.

Once it becomes clear that neither Government nor unions will offer mueh support nor any excuses, then the nature of the management job becomes et once more exhilarating and horribly exposed. Exhilarating because achievement is more clearly defined and more obviously gratifying once attained: exposed because failure, too, is starker and its price—with managers forming their own dole queue—much higber.

There is a further, possible, explanation. Impressionistic evidence suggests that British managers identify less completely with their companies' success or failures than say, their Japanese or West German counterparts: something in British culture, for good or ill, impels them to keep part of themselves in reserve, a private self. Thus the thesis that what is good for business is good for executives does not find automatic acceptance: British managers *can* forecast success for their companies, note improvement in a number of areas of working life, spurn state aid — bnt still feel lousy.

If so, too bad. Like the Stakhanovites of Stalinist Russie, they have to work like bell in order to be the beroes of capitalist labour everyone expects them to be. We can expect further contradictions — the muffled groan beneath the confident forecasts — in future exercises of this kind.

Letters to the Editor

Alternatives to Stansted

From the Planning Director, British Airports Authority

Sir,—The Chairmen of Hertfordshire and Essex County Councils' Planning Committees suggest that the BAA is displaying nervousness with its recent advertisement "The Alternatives to Stansted Could Be Very Costly." (Letters Oct 21).

We are not nervous — but we are deeply concerned that while the debate rages over whether or not to develop Stansted, our European rivals, the Dutch and Germans in particular, are mounting promotional campaigns to gain a bigger slice of the lucrative air transport business. Britain is a world leader in civil aviation and we cannot afford to lose that advantage with the jobs and wealth that it creates. Has this country still not learnt its lesson from the numerous examples of "lost" British industries?

As for the rate of growth of air traffic it has been fashionable in these last few years of recession for some forecasts to take an unreasonably pessimistic view of the future. The BAA is concerned with planning many years ahead and it would be dangerous to give too mnch importance to the present state of the economy. Indeed traffic growth this summer of 7 per cent has shown thet there is really no justification for such gloom. Even so, none of the planning forecasts presented to the Inquiry suggested that the practical capacity of the London airports system could cope with demand np to 1996. And the Government's own forecasts show that further capacity ehould be provided several years earlier than this. Only Stansted can meet the need in time.

On the question of costs, I am glad that Messrs Hill and Daniels do not dispute the claim that a fifth terminal et Heathrow would cost the BAA —and therefore the air transport industry — £100m more than development of Stansted. But their suggestion that Stansted would cost a further £800m is e gross and unrealistic distortion. With well over 100,000 unemployed people living within the Stansted travel to work area it is plainly grotesque to claim that new jobs at Stansted airport would need to be accompanied by e massive expansion of towns and villages in Essex and Herts. Even if new bouses were needed it simply means that an equivalent number of homes will not be built in another part of the region — no-one is suggesting that Stansted development is going to increase the population of the south-east.

The Stansted Public Inquiry, lasting 258 days, could not have been more thorough or comprebensive. We are confident that on the basis of the Inspector's report the subsequent Government decision will be the right one—a decision in favour of the National interest.

D. W. Turner.
Gatwick Airport, West Sussex.

Israel and the PLO

From Mr E. A. Reader

Sir,—The letter from the Hon Terence Prittie (Lebanon, October 22) is couched in terms which, by omission, make a farce of a serious subject. Will you, out of compassion for Israel's victims, grant me as much space for a reply?

How can one reconcile the statement that Israel wants a stable, united and peaceful Lebanon with its massive destruction of towns, villages, and a large part of the capital city? Lebanon could not put up a single aircraft or launch a single warship to resist the slaughter and wounding of tens of thousands of civilians.

How could Israel have supported the Gemeyel Government while supplying and encouraging the renegade Major Haddad?

The fact, reiterated by Ian Davidson, that Syrian forces were invited into Lebanon is ignored, as is the brutal nature of the Israeli invasion. What right has the aggressor to set terms on its own withdrawal?

Mr Prittie seems to approve of the Israeli agreement to remove its forces (from Lebanon) if Syria and the PLO do likewise. Does he not realise that the only place the PLO, together with other Palestinians, rightly wish to go is to their homeland (for the time being under Israeli occupation)?

It is true that the PLO has never threatened Syria, but neither has Syria dispossessed Palestinians. Israel has!

E. A. Reader.
10, Birkdale Avenue, Pinner, Middlesex.

Rolls-Royce and Creusot-Loire

From Mr J. M. Lewis

Sir,—Your lead article of October 20 on the proposed joint venture of Rolls-Royce and Creusot-Loire raises many questions that cast doubt on the worthiness of its being e subject of discussion at Prime Ministerial level last week.

Firstly, one must ask, what is Rolls-Royce, a world leader in aero-engine technology, to gain from a joint venture with the ailing French group who have depended largely on American technology for the design and manufacture of the equipment you report they would contribute?

Is it consistent with British Government policy to allow one of its key industries who have benefited of vast public investment to become associeted with e French company that has largely survived in that particular sector of industry by the protectionist moves of its government or by the granting of "give away" credits such as those seen from France and Italy for the Soviet Gas Pipeline project you refer to?

The need for an independent European technological base may be important in order to avoid foreign imposed embargoes, but surely any technology offered by Rolls-Royce to the proposed joint venture would be subject to the constraints of COCOM and other international agreements which control the export of technology of strategie importance.

Mrs Thatcher should ensure that the "spin-off" of our advanced technology activitiee be directed primarily to British industry and not sold cheap to those who do not share her ideals of free trade.

J. M. Lewis.
The Gatehouse, Gawsworth, Cheshire.

Regeneration of Scots pine

From Mr W. A. Fairbairn

Sir,—I have much enjoyed John Cherrington's numerous articles in the Financial Times and other publications with his accounts of farming in Argentina, in Otago, New Zealand, his fishing and non-fishing on the Wye and elsewhere, as well as his anecdotes in the length and breadth of these islands.

I was, however, disappointed to read his views on Scots pine being the only conifer to regenerate naturally in this country. Of course, natural regeneration is obtained from the larches, Sitka spruce, Norway spruce, Lawson cypress, the common juniper and others, provided that the seed bed is receptive. Natural regeneration of Scots pine can be slow and difficult et times.

As we now know from pollen analyses, the true restricted Caledonian Forest consisted of extensive areas of Scots pine with naturally associated leaf tree species according to the edaphic and climatie suitability.

W. A. Fairbairn.
8, Ettrick Grove, Edinburgh.

Extradition of terrorists

From Mr Peter Marshall

Sir,—The American people are, quite naturally, outraged by the slaughter of so many Marines in the explosion in the Lebanon. The President of the United States claims that there is "strong circumstantial evidence" that this despicable act was perpetrated by a group of Iranians—as indeed was the recent bombing of the U.S. embassy in Beirut.

Let us just suppose that these terrorists could be identified and were to seek refuge in England and that our courts were to refuse American requests for extradition. How would the U.S. government and people react? An interesting question because that is precisely the situation we have to face when known IRA terrorists are protected by their courts on the grounds that they (the alleged culprits) were engaged in "political" warfare!

Peter Marshall,
19 Leigh Street, London WC1.

'Mini-referendum' in Islington

From Mr Neville Spinney

Sir,—I am surprised that Kevin Brown's article (Tuesday, October 25)—Municipal left prepares for Islington "mini-referendum" — published et the climax of our by-election campaign, gives such an unbalanced view in its last paragraph. Your reporter seems to have fallen for the principal plank of the SDP platform, claiming loudly that no one else stands e chance.

The solid core of opposition in Islington, which will eventually have to re-introduce common sense, has always been Conservative. As Brown says, disillusioned Labour voters are not likely to support Labour turncoats now.

Islington electors have to suffer dreadful Socialist government; Conservative ears deaf to proportional representation; and a local Press which is at best erratic.

Neville Spinney.
59 Canonbury Park South, N.1.

FINANCIAL TIMES

Thursday October 27 1983

DEFENCE MINISTERS TO DECIDE ON WARHEAD STOCKPILE

Nato may make cuts in Europe

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN OTTAWA

NATO defence ministers meeting in Canada this week are expected to decide to cut the alliance's stockpile of nuclear warheads in Europe by about a third.

The decision, which should be announced tomorrow at the conclusion of the two-day nuclear planning group meeting, is in part related to the deployment of 572 new U.S. cruise and Pershing 2 missiles in Europe because Nato has pledged to remove one old nuclear warhead for every new one deployed.

The decision, however, has become a key weapon in the war of nerves now being waged between East and West as the December 15 date nears for the deployment of the first 41 missiles in Britain, West Germany and Italy.

The Geneva arms control talks are unlikely to produce an agreement that would make the missile deployment unnecessary, and in the propaganda battle that now accompanies the last weeks of the talks, Nato ministers hope to present their decision as a gesture towards peace and an attempt to raise the threshold at which nuclear weapons might be used in a future war in Europe.

Nato officials point out that rationalisation of the stockpile is long overdue. Most of the short-range weapons date from the 1950s and 1960s: the most modern, the Lance missile, is now 10 years old.

The U.S. has just over 6,000 nuclear warheads in Europe, which would be deployed with the forces of eight Nato member states, including the UK, West Germany, Greece and Turkey, in wartime.

The long and medium range "theatre" nuclear weapons are largely airborne, the former on U.S. F-111 aircraft and the latter, with the exception of 180 Pershing 1 missiles in West Germany, in some 650 aircraft which are capable of carrying either nuclear or conventional weapons.

More than half of the stockpile, however, is of warheads for short-range or so-called battlefield weapons. There are said to be some 1150 8-inch and 155m Howitzers and Lance missiles, and a few Honest John missiles dating from the early 1950s, making a total of about 2,150.

There are also the Nike Hercules air defence systems, which are to be replaced by the conventional Patriot, and an unspecified number of atomic demolition munitions (ADM), introduced in the early 1960s and still in service, for example, on Nato's flanks, where they might be used to blow up key mountain passes.

It is thought unlikely that the defence ministers will specify precisely which weapons will be withdrawn. Officials suggest that over and above the 572 warheads to be removed over five years to compensate for the new missiles, some 1,500 others, certainly including the Nike Hercules, and some ADMs will also go.

The defence ministers have arrived at their decision to reduce the nuclear stockpile amid a growing conviction within European Nato that the use of battlefield nuclear weapons would be politically and militarily untenable.

Such weapons are still claimed to be a vital part of Nato's deterrence strategy of flexible response. Effectively, Nato forces, faced with bigger Soviet conventional forces, want to be able to respond at any level of nuclear (or conventional) response to a Soviet attack.

Bethlehem Steel cuts deficit

By Terry Dodsworth in New York

BETHLEHEM STEEL, the second largest U.S. steel manufacturer, reduced net losses from $208.9m to $59.7m in its third quarter, but said that its operating deficit would continue into early next year.

Bethlehem's figures were hit in the quarter by a $96.5m non-recurring reorganisation charge. This was partly offset by a $23.5m gain from the early retirement of debt. At an operating level, losses fell from $104m in the same period of 1982 to $24m in its basic steelmaking segment.

While Bethlehem's results confirm indications from other steel companies that the industry is pulling away from the bottom of the recession, the constraints caused by the current bout of price competition are shown by the marginal increase in turnover, from $1.19bn to $1.22bn.

By contrast, third quarter steel shipments rose by 11.3 per cent from 1.9m tons to 2.12m tons, and raw steel production was up by 39 per cent from 2.03m tons to 2.83m tons.

Mr Donald Trautlein, Bethlehem's chairman, said that the company expected to become profitable in 1984,

CGE and IBM admit contacts but deny any deal is imminent

BY DAVID MARSH IN PARIS

A FURTHER twist has been added to months of uncertainty over French electronics restructuring following confirmation yesterday of "contacts" between Compagnie Générale d'Electricité (CGE), the state-owned electronics concern, and IBM of the U.S.

Both companies yesterday were playing down suggestions that they were seeking a deal to exchange technology and marketing expertise in telecommunications and computers.

IBM's French subsidiary, easily the biggest force on the French computer market, has made no secret of its desire for collaboration agreements with local companies to increase its French business in areas like telecommunications or educational computers.

CGE – which has just been given overall responsibility for developing French telecommunications after last month's swap of industrial assets with the Thomson group – has also been seeking international links with the data processing industry.

Both CGE and IBM, however, yesterday denied that any imminent agreement was likely, and dismissed press reports of active negotiations between them.

CGE's search for a clear strategy in the French electronics sector is made additionally complicated by the long-running negotiations about a joint venture with Olivetti of Italy in electronic typewriters and other projects. This deal has still not been finalised.

The French Government has given CGE clearance to take a 10 per cent stake in Olivetti to clinch agreement on industrial collaboration. Various French state groups, led by the Bull computer company, own 32 per cent of Olivetti, a stake which the Italian company wants reduced.

CGE, however, does not want to put up the money itself to buy the 10 per cent stake – estimated at around FFr 400m ($50.3m). Instead it is seeking partners among French financial institutions – possibly the state-owned Caisse des Depots et Consignations – which would buy the Olivetti stake and then turn over management control

CGE has been given a deadline of October 31 to reach a decision on how to finance the Olivetti undertaking.

Chrysler reviews Peugeot link

BY TERRY DODSWORTH IN NEW YORK

CHRYSLER, the recovering U.S. vehicle group, may write down its $323.9m investment in Peugeot because of the "prevailing business and economic conditions" in France.

Chrysler inherited its 14 per cent stake in the French company from the agreement under which Peugeot acquired the U.S. group's European interests in 1978. At that time the two companies intended to strengthen their ties through developing joint design and manufacturing links, but these eventually came to nothing when Chrysler and later Peugeot ran into financial problems.

Presenting its third-quarter figures yesterday, showing a jump in net earnings to $100.2m, or 72 cents a share, against $9.4m a year ago, Chrysler said it expected to complete the review before the end of the year.

It would try to assess whether conditions in France "necessitated an adjustment in the carrying value of the investment," but it stressed that any change would not be expected to have cash or tax implications for the company.

Chrysler's earnings were significantly down from the second quarter of this year, when it reported $310m net profits. In the last three-month period, however, it has paid off $800m of federally guaranteed loans, and borne the costs of a major new car-launch programme.

Sales rose in the quarter from $2.5bn to $2.8bn, while unit factory deliveries increased by 11.3 per cent from 284,000 vehicles to 317,000. During the first nine months net profits rose to $582.6m or $5.26 a share, against $266.2m or $3.23 a share.

Data General stages sharp recovery

By Paul Taylor in New York

DATA GENERAL, the U.S. mini-computer system manufacturer, yesterday reported a huge jump in its fiscal fourth-quarter earnings, which it said reflected a moderate improvement in equipment sales buoyed by new products and continuing efforts to control costs.

The announcement of much better than expected final quarter earnings resulted in sharp gains for the company's share price on the New York Stock Exchange.

The fourth-quarter results helped to offset the quarter-on-quarter earnings decline apparent during the first 36 weeks of the year. As a result, Data General managed to post full-year earnings of $23.1m or $1.93 a share, on revenues of $828.9m. This compared with earnings before an extraordinary gain, of $19.9m, or $1.83 a share last year, on revenues of $805.9m. Then an extraordinary gain of $4.8m, or 45 cents a share, made a final net of $24.7m, or $2.28 a share, last year.

The company, which manufactures small and medium-sized computers for business users and recently entered the personal computer markets, said its net earnings in the 16-week fourth quarter, ending September 24, jumped to $10.7m, or 86 cents a share, on revenues of $271.8m,

Markets, Page 33

Tax rises in Swedish package

Continued from Page 1

nal deficit in central government spending in the calendar year 1984 at this year's level.

In real terms this means it would fall from 12.5 per cent of gross domestic product in 1983 to 12 per cent next year.

A further tightening of fiscal policy is unavoidable when the Government announces its budget for 1984–85 in January.

In the short term, at least, the Swedish economy is showing positive signs of recovery, the Government says. GDP is expected to rise by 2.8 per cent next year – following a rise of 1 per cent this year – with business and industrial investments picking up again after the steep falls in recent years.

The big jump in exports this year is expected to cut the deficit in the current account to SKr 9.5bn this year and SKr 5bn next year compared with the deficit of SKr 22.2bn in 1982.

Sweden is already one of the most heavily taxed nations in the world but with another turn of the screw the Government is hoping to raise a further SKr 1.8bn.

The tax increases included: higher duty on tobacco and alcohol; higher excise duties on new private cars; introduction of a new 1 per cent turnover tax on share dealing (an increase in capital gains tax on share deals was already put into effect earlier this week); and a temporary increase for 1984 in wealth tax of 1 percentage point raising the rate to between 2.5 and 4.0 per cent.

The decision to increase the tax burden has disappointed the non-Socialist opposition and some bankers and economists, and the Social Democrats will probably be dependent on the Communists to push the measures through.

On the expenditure side, the Government announced cuts amounting to more than SKr 5bn in a full year. With its minority status in the Riksdag (parliament), it is far from clear whether the Social Democrats will be able to find a majority for all its measures or what further sacrifices may be demanded by the non-Socialist opposition.

The cuts include the abolition of subsidies on certain key basic foodstuffs such as meat and cheese, and a series of moves in the health care sector such as increases in maximum prescription charges, as well as increases in charges for visiting private doctors and dentists. Public sector health care charges will increase at the start of 1985.

Various indexed expenditures will not be allowed to increase by more than the 4 per cent inflation rate targeted for next year.

In addition a move has been made to reduce the number of housing subsidies, and the increase in transfers to pensioners will be slightly cut. Pensioners have already suffered a cut in real terms this year through the Government's decision not to compensate them for last year's 16 per cent devaluation of the krona.

The decision to freeze Sweden's development aid in 1984 at this year's level of SKr 6.6bn appears sure to undermine the country's cherished standing in the Third World. In previous budget actions development aid has escaped the axe, but it will now fall to 0.93 per cent of GNP, the first time in many years that it has slipped below 1 per cent.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	18	64	Dubrovnik	S	17	63	Malaga	C	21	70	Salzburg	C	11	52
Akrotiri	F	22	72	Faro	F	22	72	Malta	F	21	70	Seoul	C	13	55
Algiers	F	22	72	Florence	R	17	63	Manila	S	31	88	Singapore	R	27	81
Amsterdam	C	13	55	Frankfurt	C	12	54	Miami	C	29	84	Stockholm	S	15	59
Athens	F	17	63	Funchal	F	22	72	Milan	S	13	54	Strasbourg	F	12	54
Bahrain	S	30	86	Geneva	S	8	48	Moscow	F	5	41	Sydney	C	21	70
Bangkok	S	34	93	Gibraltar	C	20	68	Munich	F	12	54	Taipei	C	25	77
Barcelona	S	20	68	Guernsey	S	13	55	Nairobi	F	27	81	Tangier	S	25	77
Beirut	C	25	77	Helsinki	C	8	46	Naples	S	16	61	Tehran	–	–	–
Belgrade	S	11	52	H. Kong	C	24	75	New Delhi	S	29	84	Tel Aviv	S	26	79
Berlin	C	12	54	Innsbruck	F	10	50	New York	C	12	54	Tenerife	–	–	–
Biarritz	S	20	68	Inverness	F	13	55	Nice	S	19	66	Tokyo	C	18	64
Blackpool	C	12	54	Istanbul	F	14	57	Oporto	S	22	72	Toronto	F	12	54
Bordeaux	S	13	55	Jersey	S	13	55	Oslo	S	20	68	Tunis	F	20	68
Brussels	F	12	54	Jo'burg	C	17	63	Paris	S	14	57	Valencia	S	21	70
Budapest	S	11	52	Las Palmas	–	–	–	Prague	C	10	50	Venice	S	13	55
B. Aires	C	22	72	Lima	S	21	70	Reykjavik	C	2	36	Vienna	C	13	55
Cairo	S	27	81	Lisbon	S	21	70	Rio de J'o	C	22	72	Warsaw	R	6	43
Cape Town	S	19	66	Locarno	S	13	55	Rome	S	17	63	Zurich	S	9	48
Caracas	C	28	84	London	F	10	50								
Casablanca	S	26	78	Los Angeles	S	36	97								
Copenhagen	C	13	55	Luxembourg	S	11	52								
Corfu	S	18	65	Madrid	S	16	61								
Dublin	C	11	52	Majorca	S	22	72								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

State offers more aid

Continued from Page 1

more cash is felt to underline its eagerness to see at least this part of the plan go ahead. Another part, for a new group to be formed between Hoesch, Salzgitter and Klöckner, proved to be stillborn.

The Finance Minister, Dr. Gerbard Stoltenberg, however, backed Count Lambsdorff yesterday in stressing that Bonn had reached its financial limits.

Dr Stoltenberg said he was not ready to increase government spending next year beyond the planned 1.8 per cent in nominal terms, and any new bills would have to be matched by budget savings elsewhere.

The Cabinet also expressed full support yesterday for the increasingly tough stand being taken by West German representatives in Brussels against steel industry subsidies in other European Community countries.

Ministers repeated that Bonn saw a direct link between a resolution of its problems on the steel front, and its help in achieving a breakthrough on the EEC budget.

While there is widely felt to be a big element of poker in this, Chancellor Helmut Kohl is taking a serious, personal interest in the EEC steel issue.

Britain refuses to condemn Grenada invasion

By Peter Riddell, Political Editor, in London

THE BRITISH Government will not publicly condemn the U.S. invasion of Grenada despite its reservations.

Sir Geoffrey Howe, Foreign Secretary, said the UK would not support the Nicaraguan resolution in the United Nations Security Council which condemns the U.S. action and calls for the withdrawal of military forces.

Sir Geoffrey refused to criticise the U.S. during an emergency debate last night in the House of Commons. But he made clear that the UK Government disagreed with the invasion and was irritated about the lack of consultation by the Reagan Administration over the weekend.

He failed, however, to reassure many Conservative MPs after a humiliating performance before MPs on Tuesday. He was again forced on to the defensive by an effective attack by Mr Denis Healey, Labour'e Foreign Affairs spokesman.

One or two Conservative MPs are believed to have abstained at the vote at the end of the debate, reflecting the wider dissatisfaction with the Government's handling of the affair.

Sir Geoffrey said it would not be helpful to condemn the U.S. at present. He pointed out that several Commonwealth countries had agreed with the U.S. action, and it was possible to take two different views. The priority was to restore the prospects for democracy as quickly as possible.

During the debate Sir Geoffrey revealed that the British High Commission in Barbados had heard during the afternoon that it was once again possible for civilians to travel safely to Grenada. A consular team would immediately be flying out to determine the whereabouts of British residents, and to evacuate those who wanted to leave.

The furthest Sir Geoffrey would go in criticising the U.S. was when he "regretted that the extent of consultation was less than we would have wished." He argued that the U.S. decision to intervene was a matter of regret, but said that allies could not agree on every issue.

The private expression of reservations to President Ronald Reagan by Mrs Margaret Thatcher, Prime Minister, showed that Britain was "no-one's poodle," he added.

Mr Healey had opened the debate with a fierce condemnation of the Government's servility to the U.S. during which he described Mrs Thatcher as President Reagan's "obedient poodle."

He claimed that misleading statements, made by Sir Geoffrey only hours before the invasion took place, showed that either the Government had been deceived by its major ally or that it had been guilty of deceiving the House of Commons.

Mr Healey said: "One must feel that the Government has been guilty here of the same sort of fecklessness as it showed in dealing with the threat of an Argentine invasion of the Falkland Islands 18 months ago."

Mr Norman St John Stevas, a former Conservative Leader of the House of Commons, said the U.S. had acted "precipitately, unwisely and illegally" in invading an independent state. Britain had been treated "wrongly and contemptuously."

Mr Julian Amery, a Conservative MP who formerly had responsibility for Grenada as Under-Secretary at the Colonial Office in the 1950s, said it was difficult to understand how Sir Geoffrey could have made such a "bland and reassuring" statement on Monday when U.S. warships were standing off the island

Bonn to reduce stake in Veba

Continued from Page 1

the government parties. Bonn has been increasingly criticised by business on the ground that the "turnround" promised in economic policy, including cuts in state subsidies and de-nationalisation, has not emerged.

In choosing Veba, the biggest of the state holdings, for his first move Dr Stoltenberg has helped to win back the initiative.

Even with the Veba sale behind him, the Finance Minister will still have a long way to go. Companies in which the state has a big stake have annual sales totalling more than DM 100bn and employ nearly 500,000 people.

They include holdings in the steel and shipbuilding sectors, big loss makers that would be hard to sell. The disposal by Bonn of part of its 74.3 per cent stake in Lufthansa, the national airline, would be far more attractive.

THE LEX COLUMN

More gas for the retail balloon

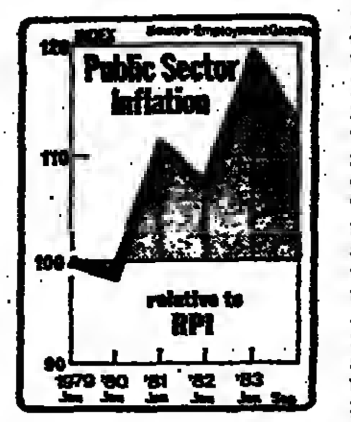
In the last year the Government has succeeded in curbing the rapid rise in charges imposed by the public sector. These charges – covering items such as gas, electricity, telecommunications and rates – were rising at around twice the average rate of inflation for much of the Tories' first term in office. The disproportionate increases, indirect taxation by another name, put severe pressure on industry's costs and in difficult markets had the effect of squeezing margins.

In the 12 months to September, however, the charges imposed by nationalised industries have risen by a mere 2.7 per cent, compared with an RPI gain of 5.1 per cent. So the pressure on industrial margins is now unwinding.

The retail sector, back in favour in recent days, is enjoying a double benefit. The public sector element of its costs – possibly 15 per cent of the total – is no longer running far in advance of the price inflation in sales goods. At the same time consumers are able to channel a greater proportion of disposable income towards discretionary purchases in the shops.

Until recently, consumers have been forced to apply a rising proportion of disposable income to pre-emptive items, such as housing, public sector charges, food, fuel, transport and so on. The discretionary element, running at a third or less of spending and including purchases in non-food shops, entertainment and restaurant meals, has been squeezed. Now that the pricing pressure is off many of the pre-emptive items, a geared increase in discretionary spending is not surprising. Consumers naturally want to rebuild the proportion of such spending: if real incomes have been rising at 3 per cent this year, there is room for discretionary spending volume to rise by, say, 10 per cent.

Since real incomes are set to go on rising next year, and relative inflation rates are likely to move further in the sector's favour non-food retail spending next year should – in the words of stockbrokers Scott Gough – move from the spectacular to the buoyant. On the most modest of assumptions, non-food spending could be up 10 per cent in value terms.



Xerox

Xerox's new Series 10 product range is not expected to make a real impact on profits until 1984. Even so, yesterday's less than sparkling results for the third quarter suggest again why next year is being awaited so nervously against the background of an abysmal share performance.

Net income has risen 13 per cent to $112m, but $23m of this has come from Crum and Forster, acquired earlier in the year. Elsewhere revenues and net income both show declines approaching 10 per cent. There is no reason to think that Rank Xerox has fared any worse than this even though the minorities figure in Xerox's profit and loss has fallen by 33 per cent; profits in South American have evidently been hard hit.

These results follow close on the heels of Xerox's announcement that it is pulling out of direct retailing, a move which itself has done little to dispel the growing perception of Xerox as a group endlessly in search of another growth strategy. Its decision to turn back to independent distributors must be the correct one, given the trends in mini-computer retailing. But the history of Xerox'e on-off relations with outside dealers – not to mention its various misadventures in the low end of the computer/copier market – must still leave some doubt whether the group has now at last identified where it wants to go.

Avana

Avana is still racing like a greyhound to keep up with the City's electric hare. Yesterday, it turned in a profits increase of a third for the six months to September, enough to keep the share price bubbling close to its all-time high at 482p.

At the moment, the group is keeping up the pace by adding new products and squeezing overheads. Cereals and savoury products are both expanding rapidly, but there is little Avana can do to bumb up the returns from the jam business and the highly competitive fruit juice market short of accepting a perilous loss of market share. Between them, these two operations account for well over half group sales but a significantly lower proportion of the £8.7m pre-tax profit recorded in the first six months.

In the low margin lines, the going may become even softer as Avana struggles to pass on rising raw material prices to its customers. Its record in this area has always been good but, in order to sustain the star rating of its equity, Avana may also need to pull something out of the hat – as it did with Robertson's two years ago. Its latest acquisition – the OP Chocolate company bought for a song from Nabisco Brands – looks a possible candidate. The City remains prepared to give Avana the benefit of any doubt. Assuming profits of £15½m this year (after profit-sharing), the shares stand on a prospective multiple of over 17 times, assuming a 40 per cent tax rate.

Gill and Duffus

The level of activity in the London and New York cocoa markets this year has been double that seen in 1982. This has more than compensated Gill and Duffus for the continuing torpor of the rubber and, to a lesser extent, the coffee markets: yesterday's interim statement from the commodity trader was largely restricted, as usual, to an estimate of its year-end result and has plumped for pre-tax profits of £18.5m or thereabouts, marking a 43 per cent gain on last year.

It would be premature to conclude that the group is now set fair to resume the striking growth record which carried its pre-tax profits up so smoothly, with a single hiccup, between 1973 and 1980. About £3½m of this year's advance represents the elimination of last year's tin and chemical losses, while the group's new sugar trading activities are evidently encountering difficult markets.

Nevertheless, the group is now well placed for growth in several new areas. The shares closed 2p up at 174p after yesterday's indication of a 13 per cent increase in the dividend.

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday October 27 1983

Gulf and Mobil lead the field with income surge

BY WILLIAM HALL IN NEW YORK

GULF OIL, the U.S. oil major which is preparing its defences against the unwelcome advances of a group of dissident shareholders led by Mesa Petroleum, has reported a 74 per cent jump in third-quarter earnings to $276m.

Mobil Oil, the second biggest U.S. oil company, also reported a surprisingly strong performance yesterday. Its third-quarter net income rose 42 per cent to $404m, which helped to push its nine month figures 16 per cent higher to $1,056bn.

In common with the other U.S. oil majors, Mobil is benefiting from strong earnings growth in its overseas operations. The group says that foreign petroleum profits accounted for $100m of the $107m rise in petroleum earnings in the latest quarter. Improved marketing and refining margins played an important part in the profit recovery, and reduced exploration expenses overseas also boosted earnings.

Mobil earned $2.60 per share in the first nine months of this year, compared with $1.94 per share in the comparable period of last year. Group revenues in the first part of this year are 10 per cent down at $42.9bn.

Mobil and Gulf's performance contrasts with that of Texaco, which yesterday reported a 9 per cent rise in its third-quarter net income to $331m. Its performance was more in line with that of the two other major U.S. oil companies to report so far – Exxon and Socal – which had gains of 20.5 per cent and 10.9 per cent in their respective third-quarter net income.

Phillips Petroleum and **Sun Oil**, two medium-sized integrated oil companies, also reported improved third-quarter earnings yesterday. Phillips' third-quarter net income rose 15 per cent to $176m and Sun's rose 10 per cent to $167m. Both companies reported declines in third-quarter revenues of between 3 and 5 per cent. Phillips' performance was boosted by the acquisition of General American Oil Company.

The sharp jump in Gulf's earnings follows several quarters of disappointing performance, when the group's results have lagged behind those of the other U.S. oil majors.

Mr James E. Lee, Gulf Oil's chairman, said yesterday: "Our concerted efforts over the past two years to cut operating and administrative costs and to improve productivity, particularly in the highly competitive refining, marketing and chemicals businesses, are beginning to pay off."

Mr Lee said that the group's downstream operations in the U.S. generated pre-tax earnings of $129m in the third quarter, compared with a loss of $135m a year earlier.

Gulf has also reorientated its upstream operations around the world in response to lower crude oil prices. Exploration efforts in the U.S. have been strengthened and exploration expenditure overseas cut back, which explains why exploration spending worldwide is 31 per cent lower at $575m in the latest quarter.

The reduction in exploration charges added $133m to operating profits in the first nine months. For the first nine months of the year Gulf earned $681m, which was marginally up on the $674m in the comparable period of last year.

Mr John McKinley, Texaco's chief executive, says that the improvement in the company's third-quarter earnings was "primarily due to higher earnings from the producing segment of the business."

Texaco earned $1.28 per share in the latest period, up from $1.16 per share a year ago. For the first nine months of the year the group's net income is virtually unchanged at $975m, but earnings per share are up from $3.74 to $3.80.

Gulf Oil's earnings per share in the latest period rose 87 per cent to $1.68, and for the nine months were 9 per cent higher at $4.04 per share. The increase reflects the impact of the company's share repurchase programme.

Asset sales, write-offs, inventory drawdowns and other non-recurring items added $79m to Gulf's after-tax earnings in the first nine months, compared with a gain of $89m in 1982. However, Mr Lee notes: "When you strip away these one-time items, our third-quarter profits were 60 per cent higher than in the first quarter of this year."

● **NL Industries**, a major U.S. oil industry services company, made a net loss of $135,000 in its third quarter, compared with net profits of $16.9m last year.

General Foods pushes ahead 11%

By Terry Byland in New York

GENERAL FOODS pushed earnings ahead by 11 per cent to $73.4m, or $1.73 a share, in the second quarter of its fiscal year, spurred on by rising sales of its sugar-free beverages and other new products. Group sales at $2.2bn for the quarter showed a gain of 7 per cent.

Mr H. James Ferguson, chairman, commented, however, that volumes and profit margins in the coffee business – around a third of group sales – have been depressed.

General Foods owns such well known brand names as Maxwell House and Sanka coffee.

Earnings are 4 per cent up at $133.2m or $2.56 a share at the half way stage, with sales showing a 6 per cent gain at $4.3bn. Mr Ferguson sees the current fiscal year as one of "Modest growth in real earnings." In its last fiscal year, General Foods earned $288.5m on sales of $8.3bn.

Dart & Kraft, whose products range from processed cheese and other dairy products to Tupperware plastic food containers, reported a small gain in profits at the operating levels. Net earnings of $110.7m, or $2.01 a share for the third quarter, compared with operating profit of $106.8m or $1.95 in the comparable period.

Net earnings for last year's third quarter were cut to $31m, or 56 cents, by a $1.46 a share write-off for the restructuring of the European operations and a foreign exchange loss. The current figures take no note of foreign exchange factors – a major factor for Dart & Kraft, which makes 29 per cent of its sales outside the U.S.

Mr John Richman, chairman and chief executive, disclosed that Tupperware sales were 9 per cent down, reducing operating profits in that division by 20 per cent. Tupperware is suffering from "a more difficult direct selling recruiting environment in the U.S," said Mr Richman.

Net earnings at Dart at the nine-month stage total $318.7m or $5.76 a share, against operating profits of $304.8m or $5.57. Final net for last year's nine months was $233.2m or $4.26 a share.

Consolidated Foods disclosed a modest gain in net earnings for its first quarter, from $37.8m, or $1.27 a share, to $39.8m or $1.39. Sales were sluggish at $1.7bn against $1.6bn.

Nabisco Brands, the New York company with strong interests in the biscuits and crackers markets, managed a slight rise in third-quarter earnings from $81.6m, or $1.25 a share, to $85.2m, or $1.30.

This took nine month earnings from $211.3m, or $3.29 a share, to $221.7m, or $3.30.

Xerox earnings per share fall 10% after copiers setback

BY PAUL TAYLOR IN NEW YORK

XEROX, the U.S. copier, duplicator and office equipment manufacturer, yesterday reported higher third-quarter net income but said a 10 per cent decline in earnings per share was "more meaningful", reflecting lower profits from the company's copier business and reduced revenues because of the strong dollar and fierce price competition.

The company said earnings fell to $1.05 a share from $1.17 a share in the 1982 third quarter. For the nine months the company's earnings per share, before the impact of the sale of two businesses, totalled $3.71 a share, the same as in the 1982 period.

The sale of the defence and aerospace business of Xerox Electro-Optical in June this year added 7 cents a share to per share earnings for the 1983 nine-month period, making a total of $3.78 a share, while a 66 cents a share gain from the sale last year of Western Union Inc (WUI) increased earnings in the 1982 period to $4.37 a share.

Net income in the third quarter from continuing operations was $112m up 13 per cent from $99m a year ago lifting nine-month net income to $387m, compared with $314m in the 1982 period. The special divestiture related gains added $7m to final 1983 nine-month net income and $56m to net income in the 1983 period.

Mr David Kearns, president and chief executive, and Mr Peter McClough, chairman, said the net income comparisons were not as meaningful as earnings per share because the 1983 net income figures do not include the impact of the dividends on 8.8m preferred shares and the issue of about 10m additional common shares associated with the acquisition in January of Crum and Forster, one of the top 20 U.S. property-casualty insurance groups.

Revenues from the Xerox reprographics and information systems business fell by 4.6 per cent to $2.03bn from $2.13bn in the quarter and from $6.24bn to $6.2bn for the nine-month period.

Another factor affecting third-quarter results was the shift in marketing emphasis towards rental replacements of the new Xerox 10 series copiers and duplicators, contrasting with a higher level of conversions of on-lease equipment to sales in the first half of the year.

Xerox said profits from its reprographics and information systems division fell by $10m to $89m in the quarter and from $314m to $293m for the nine months.

In contrast, the Xerox executives said Crum and Forster's third-quarter earned premiums increased by 10 per cent to $463m from $423m and were $1.33bn in the nine months compared with $1.23bn in the 1982 period.

However, although Crum and Forster added 25 cents a share to Xerox earnings per share in the nine-month period, the company said it had no incremental impact on earnings per share in the latest period because the insurance unit's third-quarter profits include an estimated $10m after tax and reinsurance charges in connection with hurricane Alicia.

JWT results show increase of a third

By Our Financial Staff

HELPED by an improved currency background, JWT, the public relations and advertising group, reports an increase of almost a third to $3.93m in net profits for the third quarter of 1983.

The performance lifts net profits for the nine months to $11m, in contrast to the $816,000 achieved for the comparable period of 1982, when the group was hit by losses in the first six months of the year.

Revenues in the third quarter rose by 13 per cent after gains of around 8 per cent over the first six months. At the same time, the third-quarter currency background resulted in foreign exchange gains of $136,000, against earlier losses of $1.8m.

Alitalia sees profit after aircraft sale

By James Buxton in Rome

ALITALIA, the Italian state controlled airline, expects to make a small profit this year and again in 1984, according to its chairman, Sig Umberto Nordio. This would be due both to the proceeds of sale of aircraft and to an improvement in traffic.

Sig Nordio, who was speaking at the Iata meeting in New Delhi, said the company had sales of L2,112bn ($1.3bn) in 1982. However, this year it would lose L80bn from the rise in the dollar and another L90bn to L100bn from receipts blocked in various countries, including Nigeria, Argentina, Brazil and Venezuela.

The airline expects to sign a contract to buy about ten of the new ATR 42 twin-engined aircraft for regional connections, which is being built by Aeritalia of Italy and Aerospatiale of France.

Kaufhof set to peg payout

By Jonathan Carr in Bonn

KAUFHOF, one of West Germany's biggest department store groups, boosted profits and sales in the first nine months and looks set at least to maintain its 13 per cent dividend for 1983.

Despite stagnant real incomes and consumer spending which slackened about mid-year, the Kaufhof group (including travel and fast food operations) increased sales by 1.4 per cent to DM 5.99bn ($2.3bn). Parent company sales alone were up by 3.3 per cent to DM 4.1bn.

Procter & Gamble shows slower growth

BY WILLIAM HALL IN NEW YORK

PROCTER & GAMBLE, the giant soap and detergent producer, has reported slower earnings growth in its first quarter, with net income 6 per cent up at $273m, which primarily reflected lower effective tax rates.

Worldwide net sales rose 2 per cent to $3.28bn. The company says the increase in unit volume was greater than in dollar sales.

The latest quarter's performance compares with a more buoyant final quarter of the group's last financial year, which ended on June 30, when sales were 3.8 per cent higher and net earnings were 9.7 per cent higher. For the whole of 1982-83, Procter and Gamble's sales were 3.8 per cent higher and net earnings 11.5 per cent higher.

Earnings per share in the latest period totalled $1.64 compared with $1.55 a year ago.

The company says that an exchange of approximately 700,000 newly issued common shares for $50 of long-term debt resulted in a non-taxable gain of $13m in the latest quarter. In the same period last year a similar exchange resulted in a $9m gain.

Earnings decline 72% for Digital Equipment

BY OUR NEW YORK STAFF

DIGITAL Equipment (DEC), the world's second largest computer manufacturer after IBM, yesterday announced that its earnings in the first fiscal quarter plunged by 72 per cent.

The sharp earnings decline, mainly attributed to lower-than-expected shipments of the company's personal computers had been foreshadowed in comments by the company last week.

That announcement triggered a sell-off in Digital's stock, which on one day alone fell $21 a share to $79.25, wiping out more than a fifth of the company's market capitalisation.

The announcement also contributed to a wider Wall Street sell-off in computer and high-technology stocks over the last week which has affected all the leading computer manufacturers.

The actual earnings details announced contained no surprises. The company said sales during the first quarter ending October 1 increased to $898.1m from $824.8m, while total operating revenues grew by 16 per cent to $1.07bn from $927.5m.

Mr Alfred Bertocchi, chief executive commenting upon the results, said "while revenues grew by 16 per cent this rate of growth was below our expectations due principally to lower-than-expected personal computer product shipments and the delay in shipment of certain products." He added that changes in the company's administrative systems had also caused "temporary problems."

Paine Webber slows down in quarter

By Our New York Staff

HIGHER OVERHEAD expenses and less buoyant trading conditions applied a strong brake to the earnings of Paine Webber, the New York securities firm, in its fourth quarter to September.

In common with other Wall Street brokers, it reported a heavy fall in profits for the three months, down to $12.4m or 74 cents net a share against $20.4m or $1.34 a share in the same period of last year.

Revenues, however, rose by 13.3 per cent from $328.8m to $372.5m for the period. Annual net earnings were $90.6m or $5.53 a share compared with $35.9m or $2.37 a share a year ago. Revenue for the year amounted to $1.5bn against $1.2bn.

Expenses for the final quarter rose by 21 per cent to $350m.

KEVIN DONE ON THE MIXED FORTUNES OF SWEDEN'S POP PHENOMENON

Low-key Abba after Kuben slide

Faced with mounting problems in their investment and business affairs, the money-spinning Swedish pop group Abba, and their manager Stikkan Anderson, are attempting to restore order to their empire by concentrating on show business.

THE "MONEY, money, money" has kept rolling in for Abba, Sweden's pop music phenomenon, and Stikkan Anderson, their discoverer, manager and business mentor. But of late so too have the problems. In recent months they have made more headlines for their business affairs than their music-making.

The growing disharmonies surrounding Kuben, the investment company planned as the Abba command centre for expanding their holdings in Swedish manufacturing industry, reached such a pitch eight weeks ago that dealings in its shares were temporarily suspended by the Stockholm Stock Exchange Council.

Now Mr Anderson and the three Abba members with interests in the Polar Music business empire, Björn Ulvaeus, Benny Andersson and Agnetha Fältskog – Anni-Frid Lyngstad sold her stake a year ago before moving to London – have decided that the only way to restore order to their affairs is to pull back and concentrate on show business.

Many of the deals made during the second half of the 1970s and the early 1980s to protect their massive earnings from the fearsome incursions of the Swedish tax collector, have already yielded handsome dividends, however, and they have each amassed considerable fortunes.

"The idea was to channel the money into companies so that you just paid 33 per cent capital gains tax on any share sales and not 85 per cent income tax on the earnings as private individuals," says Mr Anderson, who masterminded the group's dramatic rise to stardom after it won the Eurovision song contest in Brighton in 1974 with the song Waterloo.

"The music business is much too small for that kind of money and we wanted to spread the risks."

Polar Music International was at one time generating SKr 40-70m ($5.1m-$9m) a year in net profits, chiefly from Abba royalties, according to Anderson.

Successful financial and leasing operations were set up, providing an ideal tax shelter for the music business. The company was later floated on the stock exchange. Real estate, too, offered an attractive investment. The Abba interests became substantial minority shareholders in Stockholm's Badhus, another quoted company.

Forays into the art world and oil trading did not prove so fruitful. Losses of around SKr 30m were run up in oil trading in 1979.

Further oil losses helped to undermine Kuben over the last year.

Mr Anderson, a 52-year-old former primary school teacher who, apart from his Abba Polar music interests, also separately owns Sweden Music, the Nordic region's biggest music publisher, has always shown a keen nose for business, beside a talent for penning memorable lyrics.

When Abba records were selling at $150 a copy on the black market in the Soviet Union, he quickly tried to set up barter deals, for example, to widen the availability of the group's music in the Eastern bloc.

"It came to nothing," he says. "We were only offered items we could not sell, but I tried."

At the same time that it was going into leasing and real estate, Polar Music International bought a large minority holding in Monark, Sweden's biggest maker of bicycles. This was also a shrewd move as cycle sales boomed.

Monark, in its turn, bought up Harlekin, the four Abba musicians' own company established to collect royalties from their record sales. Harlekin alone was generating profits of SKr 15m-20m a year at one point, and Polar Music estimates that Abba has sold a phenomenal 182m records and cassettes around the world to date.

Having channelled most of their earnings into financial and property holdings, Abba and Stikkan Anderson decided last year to expand their business empire into Swedish manufacturing industry with Kuben as the vehicle. At the same time the whole Polar Music business group was reorganised.

Anni-Frid Lyngstad sold her interests and departed for London and a solo career. In Sweden Mr Anderson and the three Abba members set about separating the music operations in Sweden Music and Polar Music International from the tangle of unrelated financial and industrial operations.

They set up a new holding company, Polar Music Invest – valued by Mr Anderson today at around SKr 250m – in which they kept a holding of only 30 per cent.

The property and financial interests continued to prosper, but it was the move into manufacturing industry through Kuben – 29 per cent owned by Polar Music Invest and 24 per cent by Mr Anderson and Abba, which rapidly turned sour.

Badly advised and with thinly spread management resources, Kuben was a disaster. It became dangerously over-borrowed, invested riskily and came badly unstuck. It planned to buy up Monark with borrowed money then fund the loans from Monark's own financial resources, a scheme which fell apart when it failed to secure the necessary 90 per cent of Monark shares. Losses of SKr 12m on speculative oil trading did not help, and by early March this year the Kuben management was replaced amid bitter personal recriminations. Stikkan Anderson stayed on the board.

Kuben's holding in Monark was finally pushed over the 90 per cent barrier – vital for tax reasons – but only at great expense. A hurriedly patched together rescue programme foundered in recent weeks, leaving Mr Anderson and Abba with little choice but to seek help from a new outside shareholder.

With the sale of their holdings to Aritmos – they have kept only 9 per cent in Polar Music Invest "for old time's sake," says Mr Anderson – Abba is hoping the storm that has raged around its head will subside.

By and large, the business and tax strategy dreamed up to protect Abba's earnings has done its job. Today Mr Anderson, his family and the three Abba members in Sweden are estimated to have amassed a fortune of around SKr 400m.

In his office, surrounded by the countless gold and platinum discs that bear eloquent testimony to Abba's earning power, nervously chain-smoking into a giant ashtray, Mr Anderson is still full of ideas. With his family he owns 100 per cent of Sweden Music and 50 per cent of Polar Music International, Abba's record company, which includes the group's recording studios, ranked among the best in the world.

Mr Anderson, who wrote the lyrics for many of Abba's greatest early hits, including Waterloo, Dancing Queen and Mama Mia, and who penned an estimated 2,000 lyrics in the 1960s and 1970s, clearly resents the critical blanket coverage of Abba's recent business affairs. But events have persuaded him to confine his energies to show business.

He his behind the children's musical Abbacadabra, to be launched at the Hammersmith Lyric Theatre, London, this Christmas; he is backing a new play in Paris and is deeply involved in a new musical, Chess, with music by Abba members Björn Ulvaeus and Benny Andersson and lyrics by Tim Rice, of Jesus Christ Superstar and Evita fame.

The female members of Abba are well-launched into solo careers and acting, but Mr Anderson does not rule out a new Abba album for the end of next year.

Where the earnings from all these ventures are to be channelled remains to be seen, but the group's tax advisers should be kept well employed.

INTERNATIONAL COMPANIES and FINANCE

Third-quarter improvement for Matsushita Electric

BY YOKO SHIBATA IN TOKYO

MATSUSHITA Electric Industrial lifted group net profits by 9 per cent ot Y124.4bn ($534m) in the 9 months to August 20 on sales of Y976bn, up by 13 per per cent. Net profits per share were Y79.28, compared with Y73.17

Third-quarter net profits were 18 per cent higher at Y42.67bn on sales of Y976bn, np by 13 per cent.

Nine-month sales of video equipment rose by 9 per cent to Y1,045bn with buoyant exports of VTRs to the U.S. offsetting a fall in sales in Europe caused by voluntary regulation. Information and industrial equipment sales advanced by 21 per cent to Y391bn but home electirc appliance sales were 3 per cent lower at Y417bn.

Exports rose by 9 per cent to Y1,330bn while domestic sales were 7 per cent higher at Y1,511bn.

For the full year to November 20, the company earlier forecast group net profits of Y167.7bn, up 7 per cent, on sales of Y3,847bn, up by 5 per cept. However, a recent upward trend in sales of VTRs and office equipment has led the company to revise its forecasts upward and 10 per cent growth in net profit and an 8 per cent rise in sales are now projected.

Midterm advance by Fujitsu

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

FUJITSU, Japan's largest manufacturer of computers, has announced substantially increased profits and sales for the six months to September 30. Sales, at Y442.8bn ($1.9bn) were up by nearly 20 per cent while pre-tax profits rose 12 per cent to Y32.9bn. A major factor in the sales performance was booming demand for integrated circuits (ICs) of which Fujitsu is one of the leading Japanese manufacturers.

Sales of electronic devices (mainly ICs) advanced by 42.2 per cent to Y79.4bn and the information processing division, which mainly sells medium- and large-sized computers, scored a 20.5 per cent rise to Y297.5bn. Sales of communications equipment, however, fell by 1.4 per cent to Y65.7bn because of lower orders from Nippon Telegraph.

Figures for orders received suggest that the polarisation of performance between the different sections could increase even more in future. Orders for electronic devices were 58.9 per cent higher than year ago levels while orders for communication equipment fell by 10.6 per cent.

Exports rose by 18.3 per cent to Y101.6bn but Fujitsu says that the generally firmer trend of the yen cost it Y2bn in exchange losses compared with gains of Y3.3bn in the same period of last year.

The rise in operating profits is attributed to an improved cost to sales ratio. This reflecting an increase in the ratio of higher value items (such as big computers) in overall sales.

Fujitsu is forecasting pre-tax profits of Y75bn and sales of Y960bn for the full year to March. This assumes an average exchange rate of Y200 to the dollar during the second half. A depreciation of the yen by 10 points below this level would add an extra Y2bn to profits.

Jump in earnings at Ito-Yokado

BY OUR TOKYO CORRESPONDENT

ITO-YOKADO, Japan's second largest supermarket chain after Dai'ei, has reported a 65.4 per cent jump in group net profits to Y8.73bn ($37.5m) for the half year to August on sales of Y486bn, up by 8.4 per cent. The advance in earnings is attributed to strong performances by the four consolidated subsidiaries listed on the stock exchanges—Seven-Eleven Japan, York Benimaru, Deny's Japan, and the parent company, Ito-Yokado.

The parent company increased revenues by 7.3 per cent to Y418.1bn, helped by three new stores. Inventory controls raised gross profit margins by 1.5 per centage points to 26.7 per cent and an improvement in financial balances also helped the company lift operating profits by 51.3 per cent to Y12.8bn.

For the full year to February, the parent company expects pre-tax profits to advance by 25.5 per cent to Y28bn and favourable results are also expected from the other group companies.

● Japan's seven major supermarket chainstores have reported mixed results for the half year to August.

All seven lifted unconsolidated half year turnover, helped by the hot summer which boosted sales of clothing and air-conditioners, but there were large differences in earnings performances. These seems to have resulted from how fast store operators took steps to cope with structural changes in consumption.

Consumers are buying fewer durable goods through rationalisation measures and the rednction of inventories and borrowings.

JAPAN'S LEADING SUPERMARKET CHAINS

(First half results for parent companies)

	Sales Ybn	Change %	Pre-tax Ybn	Change %	Net profits Ybn	Change %
Dai'ei	608	0.9	7.01	−14.4	3.19	−19.1
Ito-Yokada	418	7.3	12.86	51.3	6.67	21.9
Seiyu	336	6.0	3.38	−15.7	1.74	−9.0
JUSCO	331	7.1	6.80	8.5	3.85	4.1
Nichii	268	10.0	4.83	25.1	2.73	15.9
Uny	185	2.8	6.15	4.2	3.16	2.2
Nagasakiya	129	1.2	1.22	40.3	0.52	131.7

Altech deal gives Amic foothold in electronics

By Our Johannesburg Correspondent

ANGOL AMERICAN Industrial Corporation (Amic), the industrial arm of the Anglo American mining house, is to extend its interests in South Africa's electrical sector by trading part of its holding in the cable maker, Asea Electric.

The deal comes after six months of spasmodic discussions between AMIC and Mr Bill Venter, the chief executive of Altech, an investment holding company specialising in the electronics field.

The mechanics of the deal are that Asea's shareholders, with the exception of Asea of Sweden which owns 24.9 per cent of its South African offshoot, will have the right to exchange 66 of every 100 shares they hold for five shares in Altron and 404 shares in Indumeni. At present Indumeni is a shell company controlled by members of the Anglo American group. It is destined to become the top controlling company of the greater Altech group.

At present Altron is the top company in the Altech pyramid. It owns 56.6 per cent of Altech, which in turn owns 63.1 per cent of Powertech.

Amic will make available sufficient shares to ensure that Powertech acquires 49.6 per cent of Asea. In a separate deal Altron will transfer its direct 41.7 per cent interest in the lighting equipment manufacturer, Lascon to Powertech. This will leave Powertech owning 91.8 per cent of Lascon as well as the 49.6 per cent interest in Asea and its electrical equipment and battery operations. Amic, for its part, is to provide Asea with R21m in loans and cede to the Altech group its resultant loan claims against Asea.

The final group structure will be a pyramid with Indumeni owned approximately 30 per cent by Amic and about 70 per cent by the existing Altron controlling shareholders. Indumeni itself will own 54.1 per cent of Altron, which will in turn own 62.4 per cent of Altech which, in its turn, will own 80.4 per cent of Powertech.

The arrangements have been structured so that the present control of the Altech group does not slip from Mr Venter's hands. At the same time it gives the Anglo American group an entry into electronics, an area in which it has had no real interests until now.

In addition the link with Amic is calculated to provide the Altech group with access to shareholders' funds.

North American Quarterly Results

CLEVELAND ELECTRIC

Third quarter	1983 $	1982 $
Revenue	361m	326m
Net profits	72m	57m
Net per share	1.14	1.02

COOPER INDUSTRIES

Third quarter	1983 $	1982 $
Revenue	445.2m	493.8m
Net profits	19m	9.2m
Net per share	0.35	0.12
Nine months		
Revenue	1.35bn	1.89bn
Net profits	45.1m	122.2m
Net per share	0.77	2.55

GENUINE PARTS

Third quarter	1983 $	1982 $
Revenue	556.4m	505.5m
Net profits	28.6m	26.3m
Net per share	0.79	0.73
Nine months		
Revenue	1.58bn	1.47bn
Net profits	74.8m	72.6m
Net per share	2.07	2.01

GLOBAL MARINE

Third quarter	1983 $	1982 $
Revenue	102.7m	111.8m
Net profits	10.1m	20.1m
Net per share	0.32	0.64
Nine months		
Revenue	346.3m	348.7m
Net profits	45.7m	86.2m
Net per share	1.44	2.71

HUGHES TOOL

Third quarter	1983 $	1982 $
Revenue	286.8m	340.5m
Net profits	†4.1m	23m
Net per share	—	0.42
Nine months		
Revenue	888.4m	1.26bn
Net profits	†25.1m	135.7m
Net per share	—	2.42

† Loss

NORFOLK SOUTHERN

Third quarter	1983 $	1982 $
Revenue	798.1m	770.9m
Net profits	83.9m	61.3m
Net per share	1.33	0.97
Nine months		
Revenue	2.33bn	2.59bn
Net profits	214.7m	330.8m
Net per share	3.41	5.28

SONAT

Third quarter	1983 $	1982 $
Revenue	561.6m	583.1m
Net profits	50.4m	48.3m
Net per share	1.25	1.20
Nine months		
Revenue	1.98bn	1.98bn
Net profits	168.6m	160.6m
Net per share	4.17	3.98

SOUTH CALIFORNIA EDISON

Third quarter	1983 $	1982 $
Revenue	1.25bn	1.11bn
Net profits	173.7m	148.3m
Net per share	1.72	1.55
Nine months		
Revenue	3.33bn	3.29bn
Net profits	478.5m	364.4m
Net per share	4.85	3.90

SOUTHWEST AIRLINES

Third quarter	1983 $	1982 $
Revenue	115.8m	92.3m
Net profits	11.8m	11.1m
Net per share	0.51	0.52
Nine months		
Revenue	322.6m	242.1m
Net profits	29.9m	24.6m
Net per share	1.29	1.17

SQUIBB

Third quarter	1983 $	1982 $
Revenue	489.8m	437.5m
Net profits	56.8m	50.1m
Net per share	1.08	0.97
Nine months		
Revenue	1.29bn	1.2bn
Net profits	130m	117.1m
Net per share	2.48	2.30

A. E. STALEY MFG CO

Fourth quarter	1982-83 $	1981-82 $
Revenue	485.2m	396.7m
Net profits	5.2m	14.9m
Net per share	0.18	0.65
Year		
Revenue	1.68bn	1.88bn
Net profits	13.7m	67.8m
Net per share	0.47	2.75

STANLEY WORKS

Third quarter	1983 $	1982 $
Revenue	242.2m	238.2m
Net profits	14m	11.8m
Net per share	0.51	0.43
Nine months		
Revenue	720.6m	727.8m
Net profits	32.1m	25.1m
Net per share	1.17	0.94

TAFT BROADCASTING

Second quarter	1983-84 $	1982-83 $
Revenue	167.2m	148.7m
Net profits	15.7m	15.1m
Net per share	1.56	1.75
Six months		
Revenue	274.3m	246.9m
Net profits	21.3m	26.1m
Net per share	2.21	2.54

WESTERN UNION

Third quarter	1983 $	1982 $
Revenue	260.3m	280.5m
Net profits	16.6m	31.2m
Net per share	0.68	1.34
Nine months		
Revenue	778.4m	775.8m
Net profits	56.7m	71.6m
Net per share	2.56	3.04

South African steel producer in the red

BY OUR JOHANNESBURG CORRESPONDENT

ISCOR, the state-owned South African iron and steel prodncer, was badly affected by a combination of weak exports and domestic markets in the year to June. Liquid steel production was cut to 5.62m tonnes from 7.15m tonnes a year earlier and sales of steel products fell to 4.58m tonnes from 5.28m tonnes, largely dne to lower domestic sales.

Exports rose to 1.63m tonnes from 1.60m tonnes, but the directors are not optimistic that this rate will be maintained in the current year.

Lower sales volume and lower dollar prices for exports left turnover down to R2.30bn ($2.04bn) from R2.53bn. After current cost adjustments there was a trading loss before interest and tax of R121.9m against a profit of R83m in the previous year.

Iscor has responded to poorer domestic demand by closing old plant and concentrating steel production as far as possible at its more modern facilities.

Expansion projects are not being undertaken and capital spending has been geared towards modernising plant and improving productivity and efficiency.

Mr Tom Muller, the chairman, said that prospects for the current year are considerably more encouraging. An overall profit is unlikely to be achieved, but the loss should be reduced.

Long-term business of China Underwriters sold

BY ROBERT COTTRELL IN HONG KONG

SENTRY INSURANCE, the U.S. mutual insurance company, has provisionally agreed to buy the long-term Hong Kong business of China Underwriters Life and General Insurance Company, a subsidiary of the collapsed Hong Kong property group Carrian. China Underwriters' provisional liquidator, Mr Noel Gleeson, announced the sale yesterday, but declined to specify the terms or conditions of the deal, which remains subject to court approval.

The businesses to be acquired by Sentry are the long-term and group health portfolios of China Underwriters in Hong Kong together with the home service business of China Underwriters' subsidiary, Kei Cheong Home Service Life Insurance. Mr Gleeson said China Underwriters also has 4,500 long-term policyholders in Singapore and 3,500 long-term policyholders in Thailand. He said he was "actively negotiating" the sale of the business in both countries, and that a further statement would also be made about the remaining general business of China Underwriters in Hong Kong.

At the end of 1981, China Underwriters reported shareholders' funds of HK$131m. In common with other Carrien companies, it has not yet published its accounts for 1982.

FINANCIAL TIMES SURVEY

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WORLD BUSINESS CENTRES

Miami

Florida's thrusting financial centre, Miami, has not escaped the backlash of recession but its banking community remains convinced of long term growth

Faith in future undiminished

BY WILLIAM HALL

MIAMI IS the newest frontier town in international banking and until last autumn, when the international debt crisis broke, it was a boom town.

Today, one year later, the international banking boom which was forcing office rents on Brickell Avenue (Miami's answer to Wall Street), to astronomic levels, is over. Foreign bankers who had been lured to Miami by the promise of heady growth rates in their business, have seen a drop of close to a third in the volume of trade financing, bad debts are mounting and once prime customers, like the Venezuelans, have got into the nasty habit of not even paying their loan interest on time, let alone repaying their loans when they fall due.

One or two of the early settlers among the international banking community have quietly packed their bags and left. But while there may be a few more departures, the vast majority of the 100 or so international banks which have hung their shingles up in Miami over the last few years, are sitting tight and waiting for the good times to return.

You only have to walk into the local bankers club—Miami has a bankers' club which would do justice to any in London or New York—to sense the enthusiasm for this fledgling financial centre. Yes, some banks might have come here for the wrong reasons, and yes, the bottom might have fallen out of the market temporarily, but Miami bankers stress that this is the logical financial centre for this part of the world over the long term.

It is hard to fault their argument. Miami is ideally located as an international gateway to and from Latin America. It is closer to many Latin American cities than New York, more than a third of U.S. exports to the region pass through Florida's ports, and Miami International Airport is the second busiest international airport in the U.S. with excellent connections to Latin America.

Hispanic origin

Add to this a population, over a third of which is of Hispanic origin, and has already spawned numerous entrepreneurs, especially in areas like international trade. Throw in for good measure the fact that Florida is going to be the third biggest state in the U.S. by the end of the century, and the enthusiasm for Miami's role as a fast growing regional financial centre becomes infectious.

Admittedly, U.S. exports to Venezuela — Miami's biggest trading partner — are down by more than a third so far this year, and many of Miami's once thriving small exporting companies are collapsing. But, on the other hand, the foreign deposits are still flowing into Miami banks, which handle one sixth of all U.S. demand and time deposits from Latin America and the Caribbean.

The international debt crisis has not altered the fact that Miami is still one of the most attractive centres in the world for an international bank to pick up deposits, and the international banking crisis has probably enhanced Miami's attractions for depositors from the less politically stable areas of the region.

These factors help explain why there are now more Edge Act operations (offices which allow out-of-state U.S. banks to conduct international business locally) in Miami than in New York, why Miami's International Banking Facilities are probably the fastest growing in the U.S., and why six out of the seven biggest banks in the world have sizeable Miami operations.

Miami has had the potential to become the international financial centre for the south-eastern part of the U.S. for some time. But two events appear to have precipitated the city's recent international banking boom.

The first was the election of Bob Graham as Governor of Florida in 1978. The first Miami-born businessman ever to achieve this post. Governor Graham has played a key role in opening up Florida to the outside world, encouraging its development as an international banking centre (with the strong support of Gerald Lewis, the banking comptroller), and most importantly, helping to create one of the most attractive tax climates of any state in the U.S.

The second reason why Miami took off as a banking centre stemmed from the sharp rise in oil prices in 1980-81 which proved to be a bonanza for Latin American oil producers, such as Venezuela and Mexico, and led to an upsurge in trade and services through Miami. As the new found wealth percolated down through these economies, the number of newly wealthy individuals coming to Miami, buying real estate and needing banking services, grew by leaps and bounds. Miami was a natural centre to service the region's new found riches.

Since 1978 when foreign banks, as opposed to U.S. banks, were first allowed to open in Miami there has been a steady stream of international banks establishing local offices. Major European banks, such as Lloyds Bank International, Barclays Bank International, Algemene Bank Nederland, Dresdner Bank and Credit Suisse can now be found rubbing shoulders in Miami with several less well known banks from Latin America which came to look for deposits.

Critical mass

There are still some well known faces in the international banking community that have not yet arrived (the main exceptions are the Japanese), but sufficient international banking players are in place for Miami to achieve the critical mass necessary for it to emerge as a regional banking centre.

While every international bank on Brickell Avenue likes to believe it is a little bit different from the rest of the herd, the activities of most banks can be divided into three areas, and the only real difference is the quality of service on offer. The most important task for banks in Miami is collecting Latin American offshore money, some of it flight money, which requires private banking facilities.

The next most important task probably is trade financing and associated correspondent banking activities. Finally, there is some international lending to be done; but the combination of the current problems of the area, and the fact that Miami tends to be a capital surplus centre, means that good lending opportunities are hard to find. Miami is not an important loan syndication centre, for example.

Several banks in Miami have more sophisticated operations. Citicorp has a big securities sales operation, where it markets instruments, such as certificates of deposit, to wealthy investors. Southeast Bank has recently joined forces with Gooch and Wagstaff, the UK chartered surveyors, to form a real estate investment advisory firm, and one or two banks, like Bank of America and Irving Trust, have set up local foreign exchange and money market dealing operations.

But these sorts of ventures are more the exception than the rule. Miami is still more of a banking centre than a full financial centre, because of the limited range of non-banking financial services it offers. Bank of America is probably the best known example of a bank that has based its Latin American headquarters in Miami, but the majority of banks still make the Latin American lending decisions and handle the debt reschedulings from offices in London and New York, rather than Miami.

In terms of money market dealing between banks within Miami, operations are still in their infancy and do not compare with the type of trading activity which goes on in offshore centres like Hong Kong or Bahrain. One of the problems is that most banks are collecting deposits in Miami and have to lay them off in other centres because there is a shortage of lending opportunities locally. This explains the traditionally high liquidity of local Florida banks.

Foreign exchange trading is also limited. The bulk of the trade going through Miami is denominated in dollars which means that what forex business there is, tends to be in smaller amounts and associated with the tourist trade. In addition, Miami shares the same time zone as New York, so it has no advantage on this score.

Warning lights

Another problem which is sometimes overlooked is that Miami's Latin American ties are relatively localised. Venezuela and Colombia are major trading partners and sources of investment flows in good times, but the natural links with other major Latin American economies, like Brazil and Argentina, are nowhere near as close. Brazil is a Portuguese speaking country, and Buenos Aires is farther from Miami than London is.

Finally, the advent of Florida's new unitary tax last July has dealt a serious blow to Miami's reputation as an attractive banking centre for tax reasons. Its reputation has been tarnished and, while state officials are working hard to cushion the damage which the tax may have on international banking operations in Miami, the action has set off warning lights in the world's banking parlours.

Miami's tax climate will, in fact, need to be monitored closely in the year's ahead. Changes in Florida's tax laws could seriously erode Miami's natural advantages as a financial centre. This potential problem along with the continuing impact of the Latin American debt crisis are the only real

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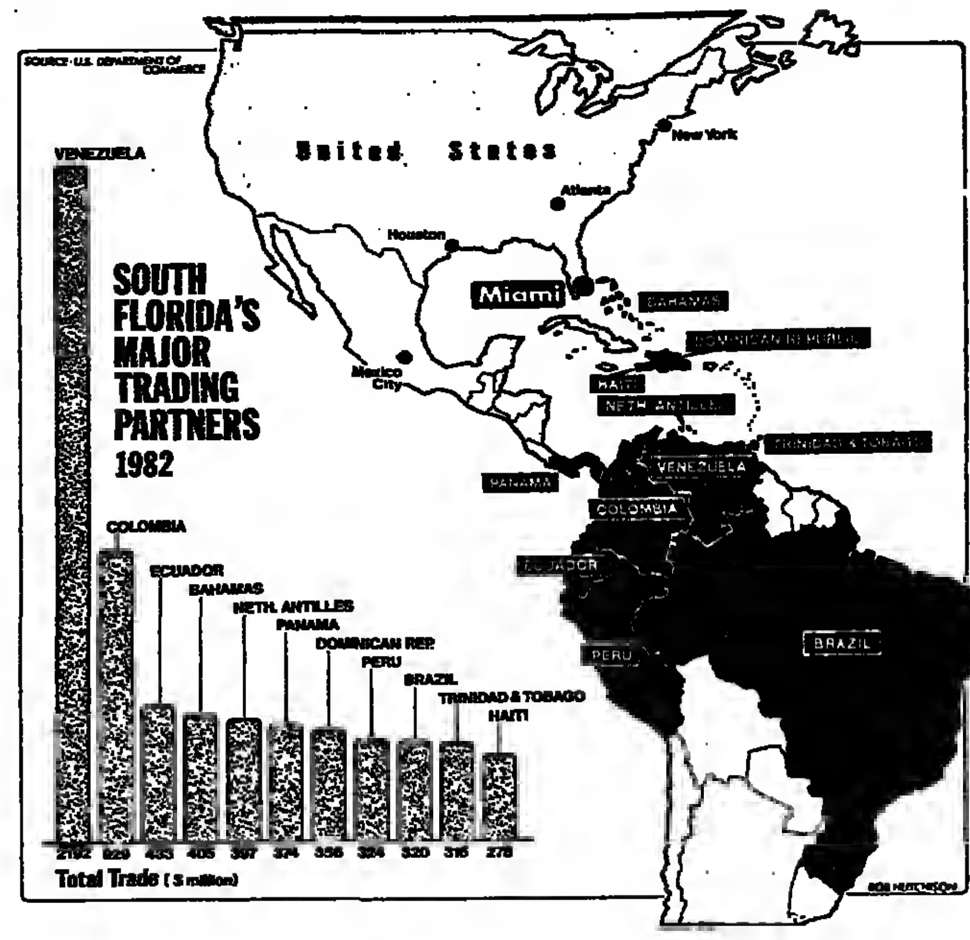

CONTENTS

Why Miami is a natural centre for international banks wanting to service the Latin American market. **William Hall reports**

Strategic position leads to rapid growth

Miami is the newest and fastest growing banking centre in the western hemisphere. Its strategic position — it is closer to many Latin American cities than to New York — combined with its large Spanish-speaking business population make it a natural base for international banks wanting to service the Latin American market.

The following highlights are designed to give a birds-eye view of Miami's international banking community and are followed by analyses of the international operations of local Florida banks, the rapid growth of Miami international banking facilities (IBFs) and an assessment of how the international debt crisis has affected the Miami operations of Latin American banks.

● At the beginning of September 1983, the Florida Banking Supervisor's office listed 89 international banking operations in the state, the vast bulk of which are based in Miami. With applications pending, the number rises to 101. At that date there were 44 Edge Act operations, 31 state-licensed foreign bank agencies, 5 federally-licensed foreign bank agencies, and nine representative offices opened and operating.

In terms of size of business, Miami Edge Act corporations are nearly three times as large as the foreign bank agencies and the two groups combined have assets of just under $10bn.

An analysis of the membership of the Florida International Bankers Association (FIBA) which was set up at the end of 1979 to act as a lobby for international bankers in Miami, gives further clues to the structure of Miami's international banking community.

Of the 98 members, 39 were Edge Act Corporations, 34 foreign banks and 25 domestic banks, although the latter includes local Florida banks owned by some foreign banks.

● Twenty of the world's top 50 banks are represented in Miami of which the biggest single contingent comes from the U.S. European banks are fairly well represented. Three of the big four UK clearing banks have Miami operations (the exception is Midland), and with the arrival of Banque Nationale de Paris, two of the top three French state-owned banks will have Miami operations.

Dresdner Bank is the only major German bank to be represented and Credit Suisse is the only one of the top three Swiss banks to hang up its shingle in Miami.

Carrying the flag

Banca Nazionale del Lavoro is carrying the flag for the Italian banks and Algemene Bank Nederland is the only major Dutch bank. Among the Canadian banks, Royal Bank of Canada and the Bank of Nova Scotia have sizable Miami operations but the Bank of Montreal and Canadian Imperial Bank of Commerce have not yet arrived.

The most obvious group of banks conspicuous by their absence is the Japanese. The sole representative is the Bank of Tokyo.

● In terms of Edge Act corporations (which concentrate solely on international banking), Miami is clearly the second most important U.S. centre after New York. In fact, according to the latest listings in the American Banker, a daily U.S. banking newspaper, Miami has more Edge Act operations (39) than New York (37). But in terms of assets, New York Edges had $8.3bn of assets compared with Miami's $6.5bn.

Nevertheless, Miami is the fastest-growing centre in the U.S. for Edges according to the American Banker data which shows that the assets of Miami Edges have nearly tripled since 1980 whereas the assets of New York-based Edges have fallen by 16 per cent.

Over the same period the number of Edge Act operations in Miami has risen by three-quarters and Miami's share of the U.S. Edge Act assets has risen from 12.3 per cent to 29.5 per cent. Tho first Edge Act office was opened by Citizens and Southern in 1969 and was followed by Bank of America, Irving Trust, Citibank and Wells Fargo. However, the bulk of Miami Edge Act offices have opened since 1979.

● The first foreign bank agency was opened by an Israeli bank in early 1978 and seven more banks opened in the first year. Numbers have been growing rapidly since then and at the end of June, 1983, there were 30 state-chartered agencies with total assets of $2.3bn and a handful of federally-chartered foreign bank agencies — of which the Royal Bank of Canada was the biggest — most of which are in the process of being converted to state charters because of the more favourable regulations.

Over the past 12 months to June, 1983, the assets of foreign bank agencies in Miami rose by 80 per cent.

● Since IBFs were permitted in December 1981, a total of 93 institutions have been given permission to open this type of unit in Florida. An IBF is no more than a set of books covering offshore business which can be located in either an Edge Act office, foreign bank agency or local bank.

INTERNATIONAL EXPOSURE
(For Florida banks)

	Total assets	International loans,	of which: Mexico	Brazil	Venezuela
	$bn	$m	$m	$m	$m
Barnett	8.3	33	n.a.	n.a.	n.a.
Southeast	8.1	251	75	63	27
Sun	5.5	89	29	29	n.a.
Flagship	3.4	104	n.a.	n.a.	22
Florida National	3.1	n.a.	n.a.	n.a.	n.a.
Pan American†	1.1	52	n.a.	14	7

† Figures as at end-June.

Some 30 IBFs are housed in Edge Act operations in Florida and a similar number are controlled by foreign banks. Not all the IBFs are fully operational yet but the 73 monitored by BankAmerica International had combined assets of $4.6bn at the end of 1982.

In terms of numbers of IBFs, which are offshore banking operations with similar sort of powers as Edge Act offices, Miami accounts for close to a quarter of all the IBFs set up in the U.S.

● Despite the downturn in international banking over the last year, U.S. and foreign banks are continuing to open in Miami. Since the start of 1983 more than half a dozen mostly foreign banks have opened for business, including France's Banque Paribas, American Express International Banking Corporation, Banca March from Spain and Switzerland's Banque Intercommerciale de Gestion.

Among new Edge Act corporations to open this year are RIHT International Banking Corporation and Norwest International Banking Corporation. Banks which have received permission to open but have not yet fully established themselves include Banco Internacional de Costa Rica, Vereins-und-Westbank and the Hong Kong-based Middle East Finance International.

● While there have been rumours that some of the new arrivals in Miami's international banking community would close down because of the lack of business after the downturn in international banking, only two banks appear to have withdrawn so far . . . Banco de la Provincia de Buenos Aires and European American Bank. In addition, one or two banks, such as Crocker Bank, which have looked at opening, have decided not to proceed.

● International banking contributes an estimated $454m to the South Florida economy and employs 3,804 people according to a recent study. International Banking Institutions in Miami: An evaluation, which has been prepared for FIBA by Robert Grosse of the University of Miami.

400 international outlets set up

IBFs

WILLIAM HALL

IT IS coming up for two years since the first international banking facilities (IBFs) opened for business in the U.S. and while there has been some disappointment at their general performance, the Miami-based contingent has emerged as the fastest growing group of IBFs in the country.

The basic idea behind the setting up of IBFs was to enable U.S. centres to recapture much of the business which was being done by U.S. banks in offshore centres where taxes were virtually non-existent and regulations less onerous. The main advantages of an IBF are that it is free from reserve requirements, the vast majority of taxes and interest rate controls. The one proviso is that an IBF can only do business offshore.

Over 400 IBFs have been set up by banks in the U.S. and at last count they had assets of around $185bn. While the sums are large bankers believe that the initiative so far has only been a partial success.

All, however, agree that Miami is the one place in the U.S. where IBFs are flourishing and this is due in large measure to Florida's tax regime which is the most favourable in the country.

Figures on the growth of IBFs outside of New York are few and far between since the Federal Reserve does not give regular details on the size of IBFs in the dozen or more regional U.S. centres which host the new offshore facilities. An article in the October 1982 issue of the Federal Reserve Bulletin gave details of the numbers of IBFs in individual states at September 8 1982. Out of a total of 395, New York led the way with 176, followed by California with 70 and Florida with 60. Illinois was the next biggest with 23 followed by Texas with 15.

These figures are a year out of date and it is probable that Florida, which boasts close to 100 IBFs now, will have overtaken California. According to Malinda Schaill, a vice president of BankAmerica International in Miami, there were 73 IBFs in Miami at the end of last year with assets of $4.8bn and loans of $1bn. Only 10 IBFs had assets of more than $100m on their books and they accounted for two-thirds of total IBF assets in the city.

Until the IBFs were introduced, the main vehicle for out-of-state U.S. banks to enter the Miami banking market was the Edge Act corporations. While Edge Act units remain important for U.S. banks, virtually everything which can be done in an Edge can also be done in an IBF (the main exception is export financing) and the rules are less onerous. As a result the focus of activity in many banks has switched to the IBF which is in effect no more than a set of books inside the same office as the Edge Act operation.

Bank of America estimates that 8/9ths of its exposure in Miami is located in its IBF and only 1/9th in the Edge Act.

The main function of most banks' IBFs in Miami is to collect deposits. The freedom from taxation and flexibility in paying attractive rates of interest makes them a natural conduit for banks wanting to tap sources of offshore money, particularly Latin American flight money. Miami IBFs appear to be less important as loan booking vehicles and, according to the end 1982 figures, less than a quarter of IBF assets in Miami consisted of loans and only two banks, Lloyds Bank International and Manufacturers Hanover International, had more than $100m of loans on the books of their Miami IBFs.

Miami bankers report that local IBFs have attracted funds from less politically stable offshore centres but also note that some customers are reluctant to place money in Miami IBFs preferring the greater secrecy of other centres like Panama or the Cayman Isles.

One disappointment which Miami IBFs share with other IBFs elsewhere in the U.S. is that they do not seem to be able to attract their funds any more cheaply than they can in other offshore centres. When the IBF concept was first proposed there was speculation that because of the location of IBFs on U.S. soil they might attract a country risk premium and be able to raise funds at perhaps 1/16 to 1/8 of a percentage point cheaper than elsewhere. Customers would concede slightly lower rates for their deposits because of the greater safety associated with having a deposit in a bank in the U.S. So far this has not occurred on any wide scale.

Miami bankers are agreed that the reason for the success of their IBFs relative to those in other centres is Florida's attractive tax climate. Kevin Roach and Joseph Ferst, who have been analysing the success of IBFs for international accountants Price Waterhouse, firmly believe that one of the main reasons for the disappointing reception that the IBFs have been given stems from the fact that most state tax benefits are not as attractive as they were purported to be.

TOP TEN MIAMI IBFs
Assets end-1982—$m

Chase Bank Int	706
BankAmerica Int	611
Citibank Int	375
Lloyds Bank Int	275
Banco de Santander Int	241
Morgan Guaranty Int	238
Southeast Bank	335
Bank of Boston Int	232
Man Hanover Int	146
Wells Fargo Int	105

Source: Malinda Schaill, BankAmerica International, Miami

EDGE ACT OFFICES

	Assets $m
Morgan Guaranty	1,263
Chase Bank	881
Bank America	668
Citibank	573
Chemical	546
Manufacturers Hanover	512
Bank of Boston	348
Banco de Santander Intl	260
Irving	211
Wells Fargo	174

Figures as at end 1982
Source: American Banker, October 12 1983

Faith in future

CONTINUED FROM PREVIOUS PAGE

clouds overhanging Miami's future as a fast-growing regional financial centre.

Clearly, Miami still has a long way to go before it can fairly claim to be the commercial capital of Latin America. Its financial infrastructure is still under construction. The City has no stock exchange, few major investment banks and international portfolio managers, and, while there are more than 100 multinational companies with Latin American headquarters based in neighbouring Coral Gables, these tend to be administrative operations rather than high-powered corporate strategy centres.

Miami is still primarily a branch outpost for big corporation and financial institutions. It has not spawned any major international institutions of its own, although Joel Wells, chief executive of Sun Banks, Florida's third largest banking group, is fond of telling people that "when California was about the size of Florida, the Bank of America was about the size Sun Banks is now."

Miami also has to shoulder the burden of its earlier image as a banking centre for suitcase money where few questions were asked. However unfair such images may be, they take time to disappear and in the meantime the occasional local banking scandals serve to remind international bankers that Miami is still very much a frontier town where fortunes are being made and lost, and where incoming bankers have to be careful who they do business with.

Despite all the caveats, Miami has the right ingredients to emerge as a significant financial centre over time. The rapid growth of its Hispanic community has turned it into a city where two cultures mingle.

FOREIGN BANK AGENCIES

	Assets $m
Lloyds Bank Intntl	363
Barclays Bank Intntl	241
Banco Exterior de Espana	209
Deutsch-Sudamerikanische	133
Banque Sudameris	127
Bank Leumi	106
Banco do Estado de Sao Paulo	105
Banca Nazionale del Lavoro	89
Israel Discount Bank	79
Credit Suisse	79

Figures as at end June 1983
Source: Florida Bureau of International Banking.

Sizeable links with Latin America

International involvement

WILLIAM HALL

FLORIDA'S LOCAL banks are more international than many banks of a similar size and more than two dozen banks with headquarters in Florida are members of the Florida International Bankers Association.

Some of these are owned by foreign banks but even after these have been stripped out more than a dozen local banks have active international operations and even such unlikely institutions as the Dade Savings and Loan Association boast an international banking facility.

As Florida is the gateway to North America for many Latin Americans who feel at home in Miami's large Hispanic comcommunity it is not particularly unusual for local banks to have built up a sizeable international deposit base.

Even so, many smaller Florida banks, such as Pan American Bank or Capital Bank, have carved out niches for themselves in the international banking markets which go well beyond the simple task of offering checking and deposit accounts for wealthy Latin American individuals.

Some smaller Florida banks, for example, specialise in doing business with less well-known Latin American countries which are shunned by their bigger U.S. competitors. Others have active correspondent banking businesses and few seem overawed by the arrival of the major U.S. money centre banks in what has been their traditional marketplace.

Southeast Banking Corporation is the best-known Florida bank internationally and despite the growth of other Florida banks probably still does more international business than the rest of the local banks put together.

More than a quarter of its earnings come from international business and despite the problems in Brazil, Mexico and Venezuela, which account for two thirds of its $251m international loan portfolio, Southeast is still actively pushing its international business.

Inevitably, it has been affected by the debt reschedulings which have converted much of its short-term portfolio into medium-term loans but one consolation is that the business is more profitable since restructured loans carry higher margins.

Mr Charlie Zwick, Southeast's chief executive, stresses that his bank steered clear of the big project loans in Latin America which are now haunting many banks. "Our view of the world is that we have got creditworthy loans out there. We are not counting on them for liquidity but then they only account for 6 per cent of our portfolio so we are not overwhelmed."

Virtually all of Southeast's international loans are being serviced and at the end of June only $2.8m were on a non-accruing basis. While no bank likes to see its liquidity reduced by forced debt reschedulings, Southeast is in a better position than many U.S. banks because it is traditionally more liquid and a big placer of funds in the Eurodollar markets. At any one time Southeast probably has $1.5bn or more of its excess liquidity on deposit in the Euromarkets.

One of the keys to Southeast's enviable liquidity (its loan-to-deposit ratio is 67 per cent compared with 112 per cent at a bank like Citibank) is its private banking business which it conducts with high net worth individuals.

In addition, the bank is active in financing South Florida's trade, nearly three-quarters of which is with Latin America.

Southeast's prominence in the international banking arena contrasts with that of its arch rival, Barnett Banks of Florida. Barnett is regarded as one of the best-managed banking groups in the state and has recently dislodged Southeast from its position as the state's biggest banking group. However, it is far less visible in international banking, which is no accident according to Mr Charles Rice, the group's chief executive.

"We were conspicuous by our absence when it became fashionable to open London offices some years ago. There are many regional banks in the U.S. smaller than ourselves which felt they had to have a London office. I would ask you what for," says Mr Rice.

Barnett is primarily a retail bank and only lately has been venturing into international lending. Its international loan portfolio has grown from $3m in 1978 to $33m which is still less than one per cent of outstanding loans.

Barnett's decision to keep its international operations on a short lease has worked well for the group until now. It has avoided many of the debt restructuring "work-outs" that have been taking up plenty of the management time of some of its rivals. However, the group has grown to such a size that its slim international operations are regarded by some of its rivals as a potential weakness over the longer term.

Its corporate and international business appears to be less developed than might be expected of a major regional bank of its size.

Mr Charles Rice says that the group's commercial business is growing more rapidly than the rest of its business. He sees its international role as servicing Florida companies' international transactions and doing the same for foreign companies that have operations in Florida and the U.S.

He draws the line, however, at opening overseas banking operations. "As far as engaging in international banking business in another country on their local turf in direct competition with their local banks and customers—that we do not know how to do," Mr Rice insists.

Flagship Banks and Sun Banks, which are in the process of merging, are both more heavily involved than Barnett in terms of their international loan exposure.

Florida National Banks is another relative newcomer to the international scene. Overseas it concentrates on lending to the private sector and trade financing deals and has shied away from participating in syndicated credits.

As a latecomer to international banking it has tended to cultivate the sorts of Latin American countries some of its larger rivals have often ignored. As a result it can be found financing deals in places like Costa Rica and the Honduras as well as Columbia and Venezuela.

While some of Florida's local banks were initially worried about the competition from the big money centre banks which came with the opening up of Miami as an international banking centre, such concerns are less evident these days. Florida's banks have found that the competition has helped them focus on the things they are good at.

STATE-LICENSED LATIN AMERICAN BANKS

(Assets and liabilities ($m) June, 1983)

	Assets June 1982	Assets June 1983	% change	Loans	Deposits
Banespa	60.9	104.9	+72	59.8	6.9
Banco Industrial	69.0	60.4	−12	57.2	1.1
Banco do Brasil	59.0	60.1	+2	0.1	7.3
Banco do la Nacion	19.7	45.0	+120	40.9	16.1
Banco Real	38.3	44.5	+16	22.2	19.6
Banco Nacional	—*	20.4	—	13.2	19.1
Banco Mercantil	—*	12.3	—	—	10.8

* Opened during the last 12 months.

Source: Bureau of International Banking, Florida State Government

LATIN AMERICAN BANK PRESENCE IN GREATER MIAMI

(October 1983)

	Country	Date
STATE-LICENSED AGENCIES		
Banco do Estado de Sao Paulo, SA		
Banco do Brasil, SA	Brazil	January 1979
Banco de La Nacion Argentina	Brazil	November 1979
Banco Real, SA	Argentina	November 1979
Banco Nacional, SA	Brazil	October 1978
Banco Mercantil y Agricola, CA	Brazil	July 1981
Banco Industrial de Venezuela, CA	Venezuela	March 1983
Banco Industrial de Costa Rica	Venezuela	November 1980
FEDERALLY-LICENSED AGENCIES		
Banco de Colombia	Costa Rica	November 1983
Banco Colpatria	Colombia	†
Banco de Iberoamerica, SA	Panama	October 1981
Banco Ganadero	Colombia	May 1981
Banco Interoceanico de Panama, SA	Panama	December 1982
Banco Comercial del Peru	Peru	†
Filanbanco	Ecuador	†
EDGE ACT SUBSIDIARIES:		
Banco de Bogota Internacional Cpn.	Colombia	July 1981
Banco de Venezuela International	Venezuela	September 1980
Union Chelsea Interntl. Banking Cpn.	Venezuela	September 1981
Banco del Pacifico Internacional	Ecuador	November 1981
Banco Latino Internacional	Venezuela	November 1982
Banco Cafetero Internacional Corpn.	Colombia	January 1983
STATE-LICENSED REPRESENTATIVE OFFICES:		
Banco Popular Dominicano, CA	Dom. Rep.	January 1983
FLORIDA COMMERCIAL BANKS WITH MAJOR LATIN AMERICAN SHAREHOLDING:		
Caribank	Venezuela	1981
Republic National Bank of Miami	Ecuador	
Eagle National Bank	Colombia	
Dadeland National Bank	Cent. America/Colombia	
Sunshine State Bank	Panama/Honduras	
Florida International Bank	Colombia	
Safra Bank	Brazil	

† Approved but unopened.

Sources: Bureau of International Banking, Florida State, Caribbean Basin Economic Survey 1981, Florida International Bankers Association.

Cleaner showing on drug traffic money

Illegal deposits

ANDREW WHITLEY

"WE PROBABLY exercise more scrutiny on deposits here than anywhere else in the world," says Mr Dennis Nason, president of the Florida International Bankers Association. "We research depositors to death. So much so that we probably scare some away."

"There are so many temptations it's miraculous such a small number of people in banking get involved in the drug business," comments Ms Sandy Lane of the Greater Miami Chamber of Commerce, concerned to minimise a problem bankers in Miami are, not surprisingly, highly sensitive about—the "laundering" by banks of illegal drug profits.

Getting a grip on the scale of the problem is not an easy task. Drug traffickers do not declare their earnings to their grandmothers. But according to the U.S. Drug Enforcement Agency, which makes something of a speciality of the subject, cocaine dealers in the U.S. this year will probably earn $35bn—three times the money the international banks and Western governments are currently agonising over lending Brazil in 1984.

South Florida used to be well known as the prime entry point for Latin American cocaine, mostly from Colombia and Bolivia, smuggled into the U.S. At least that was so until 1980 and as the wholesalers were naturally anxious to convert their profits into legitimate looking assets as soon as possible, the Miami banks were the obvious temporary homes for their dollars.

Banking in the state was growing at a phenomenal rate throughout 1970. Deposits jumped from $900m in 1974 to $5.8bn in 1980 and, judging by the number of investigations which were launched into their activities by the regulatory authorities, some banks at least—perhaps spurred by the fierce competition — were not as scrupulous as others.

Out of 22 full-scale investigations into U.S. banks in 1980 under the Bank Secrecy Act—the main weapon used by the DEA and the Inland Revenue Service to prise out drug profits, 12 were in Florida. In 1982 one case involving a suburban Miami branch of Capital Bank, which the judge said had accepted $240m in drug money over an eight-month period, came to court.

According to the Office of the Comptroller of the Currency, as reported in the current issue of Esquire magazine, between 60 and 70 banks in south Florida have either knowingly or unknowingly taken drug cash.

Those are a few landmarks to establish parameters around the issue. But much of the evidence looks dated, referring to a problem which has not gone away, simply moved to less visible turf as a result of the harsh spotlight cast on Miami in recent years.

"Five years ago as soon as a bank opened someone would appear with a paper bag stuffed full of notes," said Sr Sergio Masvidal, formerly head of Irving Trust's Miami operations and now president of his own brand-new bank. "But at least with the international banks that business has dropped off considerably," he went on.

"Operation Greenback", a drive launched in 1980 by the DEA, the IRS and the FBI, probably did much to scare away the dealers in Florida and force the bankers to look at their own transactions more carefully. The strict requirement to file Currency Transaction Reports on any deposit over $10,000 was an added inducement to stay clean.

Checks on the banks CTRS are so frequent that managers grumble they interfere with their legitimate business. "At Irving we had weekly checks from the DEA," said Sr Masvidal. Mr Nason at Credit Suisse recently underwent three rounds of checks, including one from his own internal auditors, in a matter of weeks.

Since 1980 the number of Bank Secrecy Act investigations throughout the U.S. by the Federal authorities has rocketed but those affecting Florida have dwindled away.

One argument frequently heard in Miami is that banking there is sufficiently profitable anyway to reduce the temptations for top management to get involved in laundering operations. Those individuals who have been caught have usually been second or third-rank bank officials.

This may be the case where a simple "parking" of illegally made money is involved but it ignores the fact that co-operation at a senior level is needed to make big transfers abroad to tax havens such as Panama, the Cayman Islands or Anguilla, where the big dealers want to send their money.

Freshly laundered, the investment of these funds is an activity with which the banks in Miami, or anywhere else, can feel much more comfortable. How can they be accused of any improprieties—and indeed why should they be—when it is impossible to tell the difference between a Latin flight-capital dollar, a tax evasion dollar or a drug profit dollar?

Foreign investment in Florida property over the past four years, nearly all of it from Latin Americans, was recently estimated at about $5bn. Privately, some bankers in Miami are prepared to admit that a certain proportion of these funds were probably made illegally.

Buying condominiums on chic Brickell Avenue or ordering a brace of Mercedes turbo-diesel cars—the latest fad on Miami's streets—goes only so far, though, when one has many millions of dollars to dispose of and would like to keep it reasonably liquid.

Putting some of it into the Savings and Loans associations, which are less closely regulated than the banks, is one possibility—a possibility Mr William von Raab, the U.S. Commissioner of Customs, said he had feared at one time when these institutions were becoming desperate for deposits. But again, absorptive capacity is limited.

Nor can $35bn a year be buried in the ground for any length of time. It starts to rot. So perhaps it is handled by the big money brokers instead—as some Miami bankers suggested—to be invested on the stock market. Alternatively, perhaps, in traditional Mafia fashion it all goes to buy up chains of pizza restaurants and cement companies.

William Hall explains the opposition of big business to the state's new unitary tax legislation.

Multinationals feel a chill

WHILE FOREIGN bankers and U.S. bankers might tell you they came to Miami to capture a slice of the booming Latin American business they are only telling half the truth. They also came down south to take advantage of the state's attractive tax laws which explains why Miami Edge Act operations and international banking facilities have outstripped similar units in other U.S. cities in terms of their rapid growth.

Florida has long been known for its hospitable tax treatment of big business and this has been reflected in the fact that for two years running Florida's business climate has been ranked number one in the U.S. according to a survey conducted by Alexander Grant. So when the Florida state legislature sneaked through its version of the infamous unitary tax law last July the international business community in Florida was stunned.

Education

The problem had been brewing for some time. Governor Bob Graham had been concerned about the relatively low level of spending on education in the state and had been campaigning for increased spending on the slogan of "Education means business." The state had earmarked $100m of extra money for education as part of a medium-term plan to push Florida into the top dozen states in terms of education spending by 1986.

While all sides were agreed that this was a worthy goal if the state was to continue to attract "high-tech" businesses, there was far less agreement on where the money was to come from. The matter dragged on for months and Governor Graham and his team were becoming increasingly anxious since they had already committed the funds without finding a way of raising them. Then came the news of the U.S. Supreme Court decision upholding California's unitary tax law and Florida suddenly saw a solution to its own funding problems. Within the space of a few weeks it had passed a unitary tax law designed to raise $100m—the amount needed for the increased education spending.

It happened so fast says Gerald Lewis, Florida's state banking comptroller, that no one had time to study its impact. "If we had we would have expressed our serious concern to the governor and the state legislative leadership," he streses.

The new law has been roundly condemned by most of the business community. Former Florida state supreme court Chief Justice Arthur England (who devised Florida's first corporate tax rules) said recently that "the Florida legislature changed the business climate of the state from the most hospitable, fair and accommodating in the country to the most hostile, heavy handed and greedy."

He argues that the new tax is so complex that it is "completely beyond the expertise, manpower and resources of the Department of Revenue."

Procter and Gamble, the giant packaged consumer goods group, is typical of the big corporations which have attacked the new tax. It complains that its loss making Florida pulp mill will now "Essentially attract the profit we're making on toothpaste up in Iowa." The new law requires multinational companies to pay tax on their worldwide income.

But it has been the international banking community in Miami which has put up the biggest fight against the new tax. "It is looking like a disaster for Florida," said the Miami head of a major New York bank employing several hundred people in Florida.

Aside from the impact on the banks themselves — estimated at $15m to $20m a year — international bankers are worried that the new tax will drive away the Latin American headquarter companies of multinationals which have been springing up in Coral Gables.

There are believed to be 70 or more such companies in Miami/Coral Gables which provide attractive business for international banks in Miami. The earnings of their parent companies are now liable to Florida tax.

Altered

While some bankers take comfort from the promises that the rules will be altered to cushion the impact of the tax on international banking activities in Miami, others believe that Florida officials have missed the point. "They keep on saying they can change the rules so that international banks will be exempted. But the effect on our customers, many of whom are multinational companies in Florida, is just as important as the direct effect on us," said one senior banker who insists he will not be satisfied until the new tax is repealed.

Florida's local bankers are not as incensed about the new tax as some of the out-of-state banks. Indeed one or two local bankers appear secretly rather pleased that the newcomers into the banking community are finally being made to pay their fair share of taxes. Some local bankers feel that the foreign banks and big U.S. money centre banks have been given too many tax exemptions.

Southeast Bancorporation's Charlie Zwick is not one of these. He thinks that the Governor made a mistake in getting the unitary tax law passed. "It was a political decision made in the heat of battle. My guess is that some form of compromise will be hammered out and while people will be mad at Florida they will not say we are going to take our business and depart for Maine or the Bronx," says Zwick.

Many bankers share Mr Zwick's views but they are nonetheless concerned about the impact the tax will have on foreign investors in Florida and the state's "pro-business" image.

Dennis Nason, president of the Florida International Bankers Association, is more sympathetic than some of his colleagues to the Governor's problems in finding new sources of revenue to pay for the increased spending on education, but he argues that the "Principal problem with this tax is the perception abroad." He does not think that businesses will leave as a result but it may very well discourage new businesses from locating in Florida.

PROFILE: GOVERNOR BOB GRAHAM

Rebellion in the camp

NO SOONER had Florida's Governor Bob Graham gone off on holiday to the Far East last month than some of his closest colleagues in Florida began campaigning for the repeal of the unitary tax.

Lieutenant Governor Wayne Mixson, Governor Graham's deputy who apparently has his eye on the top job when Graham's term expires in 1986, was busy telling anybody who cared to listen in the Governor's absence that "There is no longer a question that this tax is detrimental to Florida's economic diversification."

Urging the repeal of the law Mr Mixson said: "We have shot ourselves in the foot." Meanwhile another of Bob Graham's associates, George Firestone, Florida's Secretary of State, has come out strongly in favour of repealing the new law and was expected to raise the matter at the first cabinet meeting on the Governor's return.

Governor Graham has been putting a brave face on all this disloyalty and has told Florida journalists who spoke to him while he was on holiday that the disagreement among his team should be likened to a marriage where partners occasionally have different views. He is still insistent that the tax will stay in place, albeit with a few modifications.

While the comments of Mixson and Firestone are embarrassing for the Governor it does not seem likely that they will be able to marshal enough support to get the unitary tax law repealed.

Rational

Graham believes strongly that the new tax is rational and fair. "It looks at economic reality as opposed to the alternative which would say we will accept your corporate tax structure and accounting methods which have encouraged, not illegal or unethical, but creative accounting in corporate organisation structures to try to shelter income in low tax areas and restrict income in high tax areas."

While Graham admits that the new tax is complex and will put a burden on accounting procedures, states like Florida have been pushed in the direction of imposing unitary taxes as their revenue bases have shrunk.

Until recently, states had piggy-backed on the federal income tax returns applying a simple percentage of the federal tax levied for their own use. This was administratively simple but the difficulty has been that federal government has significantly reduced its corporate income tax rates.

"The federal corporate income tax used to represent around 15 per cent of all federal revenues but within the next year or two it will be down to around 7 to 8 per cent," says Graham who insists that states like Florida cannot afford that kind of revenue drop.

Graham says that the flurry of emotion which has accompanied the new tax is overdone. It will affect less than 10 per cent of all businesses in Florida and the critics of the tax overlook the fact that some companies will be paying less tax. He believes that the international banks in Miami are the major problem area and if he can get their worries sorted out he will be almost home and dry.

He has already met with several representatives of Florida's international banking community and has absorbed many of the recommendations put to him by the Florida State Banking Department. "I can say with absolute assurance that there are going to be recommendations for changes and I would say with some confidence that these changes will be substantially adopted," says Graham.

Over the next few months state officials will be working on specific problems raised by the adoption of the unitary tax system and refinements to the sytem should be ready before next April when the Florida state legislature next meets.

"From what I have seen so far the area which ought be top of the list for such refinements is international banking," Graham says. "If a bank is not doing business in Florida but is using Florida as a convenient place to do business between the UK and Mexico," argues Graham, "then I do not think it is fair for Florida to try to tax those relationships, particularly given the fact that these banks came to Florida with the legitimate expectation that they would not be so taxed."

Governor Graham: meeting disloyalty with a brave face

William Hall

PROFILE: GERALD LEWIS, FLORIDA'S BANKING COMPTROLLER

Comforter of the banks

MIAMI'S international banking community has won a powerful ally in the fight against Florida's unitary tax law. Gerald Lewis, Florida's banking comptroller and architect of much of Miami's success as a growing offshore financial centre, has thrown his weight behind the international banks' pleas for special treatment.

"The state's unitary taxation seems to impact negatively on the perception of Florida as providing a favourable environment for international banking. It also appears to have the potential to hinder the future development of Florida as a progressive international banking and financial centre," Lewis told Governor Graham in a letter last month.

He warned that the peculiar attributes of the international banking industry mean that international banks can easily shut up shop and move on. International banking "works in large volumes with very narrow margins: its assets are very mobile and business can be transferred with a single telex: and the international banks' mobility is reinforced by the fact that they have in the state a relatively small investment in fixed assets.

"Undoubtedly, if the international banks cannot make what they consider an adequate return on assets because of a shrinkage of margins, these assets will be placed elsewhere where such returns can be realised," warns Lewis in a letter to the Governor containing his recommendations for changes to alleviate the international banks' worst fears about the unitary tax.

Concerned

Lewis says that he is concerned that the additional cost of doing business in Florida as a result of the new corporate tax code will cause international banks to contract their operations. "I understand some banks are already in the initial stages of this process. As comptroller, I am familiar with the tendency of international banks to follow trends, which once started could be difficult to reverse."

Regional offices, Latin American units and other product-headquarters could be particularly impacted because of the number of employees. "These are exactly the offices we have encouraged in an effort to develop Florida as an international banking community," cautions Lewis.

Lewis has urged the Governor to exempt all agencies, representative offices, international administrative offices, Edge Act corporations and federally licensed international banking agencies from the unitary tax and has proposed amendments to Florida's tax code.

It seems that his advice has not gone unnoticed and proposed amendments to Florida's corporate tax code issued by Florida's Department of Revenue last month go a long way to meeting the grievances of the international banking community.

Until the intorduction of the unitary tax scheme virtually all international banking operations were exempted from Florida tax. One side effect, however, of the new tax is that the exemption of foreign source income contained in the original Florida income tax code was delted. As a result only the income of international banking facilities remains free from tax and certain income of Edge Act corporations and international banking agencies appears to be vulnerable to tax under the revised rules.

The Florida legislature had adopted an "expression of legislative intent" in connection with the new unitary tax which effectively says that it is not intended to impose any additional tax on Edge Act corporations or international banking agencies.

This expression of legislative intent, however was not included in the statutory language of the amendments to the Florida income tax code and this has caused considerable uncertainty among international banks who fear that a less hospitable state government might at some future date exploit this loophole to raise the banks' tax burden.

In order to still the concerns of international banks on this score the proposed rules from the Department of Revenue say that Edge Act corporations and international banking agencies are "deemed to be international banking facilities" for tax purposes.

Bowman Brown, a Miami attorney who specialises in international banking matters, believes that the new rules "go a long way towards recovering what had appeared to be lost in the unitary tax scheme" and argues that international banks should find a great deal of comfort in the latest proposed revisions to the Florida tax code.

Gerald Lewis: sympathetic to the pleas of the banking community

W. H.

Miami bankers give their views to William Hall on prospects for the long-term strength of the southern Florida centre

SERGIO MASVIDAL

Vision of Cuban emigré

SR SERGIO MASVIDAL, a suave, 45-year-old Cuban American, was until recently a highly successful international banker with Irving Trust, rapidly rising up the rungs and tipped to become the bank's first Latin executive vice-president.

Abruptly, two months ago, he *decided to* abandon the big league to join his elder brother Raul, a prominent Miami banker, in a new, family-owned venture. After a $600,000 outfitting, the discreetly named M-Bank opened its doors last month in downtown Miami.

Why the switch? And what sort of a gamble are the Masvidals taking in setting up yet another small, Latin-controlled and run bank in southern Florida, a region crawling with similar enterprises?

"We wanted to build the family name again in exile," said Sergio Masvidal in the course of a long interview in his richly appointed president's office at the new bank. Many Cubans forced to flee their native land a full generation ago when Fidel Castro seized power must feel the same.

Miami, 70 per cent Hispanic according to the latest U.S. census, is the ideal place to make reality of such dreams. "Many Cubans abroad aspire to return one day to Miami," reflected Sr Masvidal. "It is our capital in exile, the elephant's graveyard."

"This city would not have moved so quickly away from being a sleepy tourist town, if it hadn't been for Fidel Castro," confirms Sandy Lane, an executive director of the Greater *Miami* Chamber of Commerce.

Cuban-Americans are the elite of the fast growing Latin community in Southern Florida, the earliest wave in a sea of political and economic refugees to wash ashore on fancy Miami Beach. Puerto Ricans, Haitians, Nicaraguans and many others have followed in their wake over the past 30 years.

"Anyone who speaks Spanish to e white American elsewhere in the U.S. is an Hispanic immigrant who was forced to come back here," says the elegantly dressed bank President. "Here we have status and respect."

Well respected

The Masvidals are certainly well respected in the Miami banking fraternity. "He's a first-rate banker. Excellent," said one admiring foreign bank representative. Sergio was head of Irving Trust's Miami operations for six years before branching out on his own. Before that he had been with Banker's Trust and Continental Illinois—e career which had given him plenty of international experience but left him nonplussed when recently faced with his first request for a car loan.

Perhaps wisely, M-Bank will not be concentrating on the retail end of the market. "We are a private bank orientated towards high networth individuals, both domestic and overseas," said Sr Masvidal, defining his place in the spectrum.

The polite banker's jargon, translated, means the new enterprise will be catering to the rich, wherever they *may* be. The poor need not apply. "We are going to extreme pains to avoid becoming another street-corner Latin bank," emphasised its president.

In keeping with its strategy, M-Bank aims to offer "very personal services" not provided by any other commercial bank in Miami to its favoured customers. Many of these are likely to be lawyers or doctors, as were the Masvidals' parents.

A bank officer can be at an account-holder's beck and call "twenty-four hours a day." A courier will collect deposits from a doctor's clinic to save him the trip to the bank.

M-Bank was set up with a small capital base of $2m, of which Sergio and Raul—a sleeping partner in the enterprise—have put up 61 per cent and other family members another 10 per cent. But by the end of the year, when the start-up phase should be over, its capital will have been increased to $5m-$6m.

Over the following three to five years the eim is to grow as fast as possible—to a target size of $150m to $200m in assets—before a planned pause for breath and reflection, possibly to merge with another bank or sell out.

There are forebodings over the rough waters ahead for U.S. banks in the brave, new deregulated world. "I wouldn't be *surprised if a whole* bunch of banks are not around in a few years' time," said Sr Masvidal. In his view, the key to successful banking in future will lie in the management of liabilities, not assets.

M-Bank plans to move carefully, especially in the light of the economic crisis gripping virtually all Latin America—a crisis which has blighted the balance sheets of many Miami-based banks.

But its co-founder believes the crisis can also be made to work to the edvantage of small banks such as his own. "We can narrow the gap between ourselves and the big banks. They are handicapped by their exposure and their paranoia over Latin America, and we can exploit the opportunities" said the former Irving Trust man.

Mr Oakley Cheney—worried most about Latin American debt crisis

OAKLEY CHENEY

Critical view of local claims

"WHEN I arrived here 15 months ago, the first impression I got was that every international banker I met was telling me how many *job offers he had received,"* says Mr Oakley Cheney, head of international banking at Southeast Bank, the leading local bank.

These days Mr Cheney receives up to 10 unsolicited resumes a day from international bankers looking for work, a sure sign that the heady euphoria which gripped the Miami banking market 18 months ago has evaporated.

Mr Cheney, who moved across after a long international career at the Dallas-based Interfirst, has always been suspicious of the grandiose claims some of his colleagues have made from time to time about Miami's importance as an international financial centre.

While enthusiastic about Miami's potential over the long term, the Californian-born international banker insists that Miami is still in its infancy as an international centre. "It is something less than Singapore was in 1973," he says.

"Most of the offices here could be better characterised as deposit gathering institutions," says Mr Cheney, who emphasises that they are not the same sort of animals as can be found tapping the *money markets in international* centres like London or Bahrain. "We do not have a large inter-bank market here. Banks are taking their deposits in bits and pieces but over time these small amounts mount up," he says.

Miami banking operations are almost exclusively placers of funds, argues Mr Cheney, who notes that most banks do not have the scale of deposit-trading activities found in a typical London branch of a foreign bank. The same goes for foreign exchange.

Since virtually all the trade with Latin America is in dollars there is little need for foreign exchange, and what business is done, tends to be associated with the tourist trade. "My guess is that there is substantially more foreign exchange business conducted in Houston and Dallas than there is here," he adds.

"I think Miami might very well develop as a more sophisticated financial market given a recovery in Latin America. But I think it is 10 years away from what could be termed a financial centre."

But for the moment, Mr Cheney, like the rest of his international colleagues, is spending most of his time worrying about the Latin American debt crisis rather than *Miami's* position in the pecking order of world financial centres.

Southeast probably has a bigger international loan portfolio than the rest of the local Florida banks put together *and* earns *more than* a quarter of its profits from international banking.

Mr Cheney has a reputation as one of the more hawkish regional bankers in the recent Brazilian debt reschedulings. However, this reflected his concern about the way the big banks were handling the affair rather than any desire to pull the rug from under Brazil where Southeast has a $53m exposure.

Mr Cheney argues that the big banks were not consulting the smaller regional banks and his behind-the-scenes lobbying contributed to a considerable improvement in the once tense atmosphere between the two groups of banks.

Indeed, Cheney is one banker who believes quite strongly that the banks themselves are not beyond reproach. "I think some of the loans have been too short, and we have been too eager to make money through higher fees.

DENNIS NASON

Enthusiastic salesman

DENNIS NASON is president of Bankers Association and probably the most visible and enthusiastic salesman of Miami's merits as an international financial centre.

"We will soon be the fifth largest financial centre in the U.S. if we are not indeed already there in terms of dollar volume. We are certainly among the top five banking centres in terms of numbers of banks involved in international financing after New York, Los Angeles and San Francisco," says Mr Nason who firmly believes that there is no reason why Miami should not *rank among the top two* or three financial centres in the U.S. by the year 2000.

Mr Nason arrived in Miami five years ago when Wells Fargo sent him to run their Edge Act operation. "After a year I was to have been *switched to Singapore*. It would not have been a bad assignment but I did not feel like going to my *fourth* country in four years," he says. So he joined the growing band of international bankers in Miami who decided to stay put when their employers wanted to move them on.

He has no regrets. He spent a year and a half helping an Argentinian bank set up its Miami operation before moving across to run Credit *Suisse's* agency. "Where else could you be sitting down for breakfast in your house at 8.00 in the morning and be in your office before nine after a 15 to 20 minute drive," says Mr Nason, whose offices high above Brickell Avenue overlook Miami's bustling harbour.

"If you are an international banker in the U.S., look at the places you can live—New York, Chicago, Los Angeles, San Francisco or Texas. Lots of people do not like New York, Los Angeles is too big, and salaries in San Francisco are less than in many other banking centres." If a banker is interested in Latin Ameria and the quality of life, Miami is e good place to be argues Mr Nason who stresses that advances in electronic telecommunications are giving bankers more choices as to where they choose to live.

"You will probably not go *to many market* places where you can sense so much enthusiasm by bankers wanting to make it bigger because they can see its potential. From zero to the size we are now in three years is absolutely amazing," *says Mr Nason*, warming to his task to secure Miami its rightful place in the international banking hierarchy.

It is easy to be discouraged when you see the problems banks have in Latin America *but he insists that* while there may be one or two banks that might decide to quit Miami the majority are in for the long haul. "Our cost of funds is cheaper than in competing markets and most bankers I have talked to are happy with their profitability," he says.

Mr Dennis Nason—decided to stay put

His one real worry is Florida's new unitary tax. "When you are working in very small margins such as 3/64ths you cannot afford to give up 1/20th of the resultant income," he says, referring to the proposed tax.

He is more sympathetic than some of his colleagues to Florida's problems in raising revenue for education, which precipitated the tax, but nonetheless is concerned that even if the banks succeed in watering *down* the proposals, the action will damage Florida's perceived business climate in the eyes of foreign investors and bankers.

"I do not think you are going to see business leaving but it may discourage business coming," says Mr Nason.

JOHN FLASCO

Focus for Latin America

OF ALL THE international banks that have beaten a path to Miami in recent years, Bank of America is probably the one that has made the biggest commitment.

It has quietly moved its Latin American headquarters out of Caracas and into Miami and grafted on an active foreign exchange and money market trading operation in addition to the private and commercial banking operations found in most of the *other new* arrivals.

Mr John Flasco, who heads Bank of America's Miami operations, says that many of the banks that have come to Miami are still struggling with the organisational problem of how to slot their Miami units into their overall corporate structure.

"Some belong to their parent's North American division, some to their retail banking *outlets and* some belong nowhere," he says.

Bank of America was one of the first banks to split Miami from its North American division and place it in its Latin American division even though it is based firmly on *U.S.* soil. Mr Flasco cites Miami's proximity to Latin America and the firs rate communications—both airlines and electronic—for his bank's decision to centre its Latin American headquarters in Miami.

Mr John Flasco—customers "feel very comfortable coming here

In Caracas, Bank of America officers found it much more difficult to travel to the outposts of the Latin American division than they *do in Miami*. Equally important, Bank of America's customers "feel very comfortable coming here," says Mr Flasco.

"It is not a financial centre like London or New York, but it *is a natural place for banks* doing business with Latin America. People can come to their hairdresser and holiday in their second home in Florida whenever they want to visit their bank," he edds.

Mr Flasco argues that the original growth of Miami largely resulted from a flight of banks from New York to escape taxes rather than an appetite for Latin American business. But that has changed over the last couple of years *despite* the well-publicised problems in Latin America.

"We are doing business here because it is *extremely* attractive for Latin America," he says and notes that fears that the international debt crisis would hava led to e collapse in financing through Miami have been overdone. "It has dropped but there is still plenty of business around," Mr Flasco says.

As normal trade becomes more difficult he believes that there is an opportunity for Miami to develop as a centre for counter-trading for Latin America. His bank has recently *set up an export* trading company in San Francisco but it will shortly open an office in Miami which *will* be a "focal point for finding markets in the U.S. *for* non-traditional exports."

UK COMPANY NEWS

Further advance as Avana tops £6m

THE steady progress experienced in recent years at Avana Group, food processor, continued in the 28 weeks to October 10 1983.

Pre-tax profits climbed from £5.05m to £6.67m. This was after interest charges up from £326,000 to £550,000, higher depreciation of £1.5m compared with £1.03m, but included associate's profits of £30,000 against £40,000.

The interim dividend is raised from 3p to 3.75p net—last year's total was 7.5p from pre-tax profits of £12.61m (£9.67m).

Group turnover was up from £72.51m to £85.43m, and trading profits came out at £8.69m against £6.37m. Tax took £1.67m (£1.62m).

The directors say the group continues to progress with R. F. Brookes, Unican and Viota leading the way. A major capital investment programme at Viota—the breakfast cereals and cake mixes division — which will involve expenditure of £10m over the next three years, has been approved.

When completed, it will give Viota a highly efficient production unit with a very much broader product base, so securing its future and that of an enlarged workforce in an area of high unemployment.

More than half the group sales increase came from Lesme, which manufactures and sells bulk chocolate couverture to the food industry and chocolate products to the retail trade. This company was acquired by Avana in April and has been showing steady progress and which has fitted well within the group structure.

The increase in turnover of the remainder of the group reflects a volume increase as raw material prices have been relatively stable, although there are signs, they say, that this situation is changing.

Difficult conditions in France inhibited progress for C. G. P. Peny SA, which specialises in canned vegetables and convenience meals.

Ledbury Preserves has coped well with the low margin fruit juice market and made a greater contribution to profits in the half-year. In addition, a successful launch of Trumpet Cider was made to the retail trade.

Scotie Barry, dried fruits and pulses, has held steady without any signs of real progress. The directors say that Avana Bakeries and Avana Meat Products did not enjoy the best of the summer trading periods with the extremely hot weather restricting sales, but a return the more normal weather soon revealed the essential strength of both these companies.

Development of a section of the Rogerstone bakery for the production of savoury products is almost complete and will be available to meet the seasonal increase in demand and permit the introduction of new products on schedule for R. F. Brookes. Such has been the success of this company in developing new products that it seems likely that a third project will be needed shortly.

Avana Bakeries supplies cakes to Marks and Spencer.

James Robertson & Sons Preserves Manufacturers, acquired in March 1981, has had to contend with fierce competition for its jams and marmalade on the home market. Through the company's export arm, Robertson Foods International, a major drive is being made to develop exports, they say.

See Lex

Gill & Duffus sees over £17.5m

THE YEAR so far at Gill & Duffus Group has been one of both mixed profitability and levels of activity, but directors forecast pre-tax profits of between £17.5m and £19.5m for the full 12 months ended December 31, compared with £12.91m in the previous year. In 1980 profits reached a record £23m.

The interim dividend is lifted from 3.6p to 4p net per 25p share and provided the profit forecast is realised, directors intend to recommend a final distribution of 5.5p (4.8p).

Turnover of this international commodity broker, merchant and processor expanded by £103m to £605m for the first six months of 1983. Cocoa trading has been active, Mr David Pearson, chairman, says, but coffee and rubber trading were quiet.

The group's sugar and grain companies in the U.S. and Europe continued to build "on the excellent start they made last year, although profits have been harder to achieve," he states.

Clarkson Puckle, he adds, did well in the highly competitive conditions prevailing in the international insurance markets.

In June the chairman said that there had been more activity in most of the group's commodities and profitability had been at a higher level, although there were signs that trading was becoming quieter again.

Camco downturn

Third quarter pre-tax income of oil and oil services company Camco Inc., a 63.7 per cent owned subsidiary of S. Pearson and Son, fell from U.S.$8.5m to $4.38m leaving the figure for the nine months ended September 30 1983 behind at $16.13m, compared with $22.71m.

Net sales amounted to $119.68m ($134.95m) with $38.92m ($45.38m) coming in the third quarter.

Results reflect depressed market conditions in Venezuela, and worldwide competitive discounting, directors state.

Third quarter results include $707,000 in net income from final payment under a 1979 contract with Societe Technip.

Wire & Plastic

An increase in pre-tax profits from £151,349 to £192,944 has been shown by Wire & Plastic Products for the first half of 1983. Turnover expanded from £1.23m to £1.67m.

The net interim dividend is lifted from 0.85p to 1p. In the last full year a total of 1.9p was paid from pre-tax profits of £222,427. For the six months earnings per 10p share increased from 2.53p to 3.12p.

At the operating level profits moved ahead from £107,264 to £157,739. Pre-tax profits were struck after investment income of £38,405 (£47,285) and interest payable of £3,200 (same). Tax amounted to £79,410 (£62,896).

Floyd Oil falls

Pre-tax profits of oil and gas exploration and production concern Floyd Oil Participations fell from £99,528 to £60,883 for the year ended June 30 1983.

The directors of this Unlisted Securities Market company explain that there was a decline in interest income as cash was deployed in the East Midlands, and there was an £80,000 write-off in respect of a high risk well drilled in the U.S., the lease of which has since been disposed of.

Oil and gas revenues net of production taxes (turnover) expanded from £120,246 to £370,056 for the year while cost of sales took £156,774 (£95,643).

After tax £14,068 (£10,521) and a £1,400 transfer to the share premium account last time, the retained balance was £46,815 compared with £87,607.

Henderson expands 42% to £2.35m at midterm

ALL major divisions of sliding door gear, garage and industrial door manufacturer Henderson Group increased their profits during the half year ended August 27 1983, and lifted the group's pre-tax figure by 42 per cent to £2.35m, against £1.65m.

Turnover advanced by 17 per cent to £27.96m (£23.93m)—excluding Continental Instruments Corporation, acquired last February, the increase was 12 per cent.

Apart from the improvement in private house building, "we are not seeing any significant changes in market conditions," says Mr Pat Gaynor, chairman. He adds, however, that the group is continually launching new products which gives directors confidence that even without significant uplift in the economy generally, performance should continue to improve.

Earnings per 25p share were 6.6p (5.1p) after six months and the interim dividend is effectively raised to 1.6p (1.33p)—last year's final was an adjusted 2.67p and taxable profits amounted to £3.92m.

Continental Instruments, in the security division, shows excellent progress, the chairman states, and in spite of increased competition, P. C. Henderson sold more garage doors and sliding door gear in the UK and overseas, and maintained its margins.

The industrial door sector again increased its market share and although the markets of the geared motor division, Normand, continued to be flat, the company achieved increased operating profits.

Mr Gaynor says that trading conditions are difficult in the southern hemisphere and while operating profits of the company's South African and New Zealand subsidiaries are slightly below last year, "the rate of profit remains good."

He adds that although group sales have grown appreciably, tight control of working capital has produced a positive cash flow of £1m and gearing is reduced to 6.5 per cent.

Pre-tax figure included rents and interest received £360,000 (£145,000) but was after interest payable, up from £255,000 to £427,000.

After tax, £917,000 (£587,000), minorities £9,000 (£30,000) and extraordinary debits of £330,000 (£117,000), the available balance came through at £1.12m compared with £998,000.

The extraordinary item is expected to cover expenses associated with the closure of the Cosham factory (in the geared motor division) which, directors say, will reduce significantly the operating costs of this sector and its capital employed.

● comment

Henderson's tougher inventory controls have enabled it to achieve a 17 per cent sales advance on a nil increase in working capital, despite a seasonal build-up in garage door stocks. Profits have been flattered to the tune of perhaps £350,000 by Continental Instruments Corporation's first time contribution. Nevertheless, it looks as if there has been a real increase in market share in access control and security gates, while the reorganisation at Normand geared motors is bringing that division's return on working capital closer in line with the rest of the group. The new range of garage doors comes at a good time to benefit from the renewed demand which may result from any decrease in mortgage rates, although the scope for Henderson to raise its 50 per cent share of that market must be limited. Indeed, the CIC acquisition underlines Henderson's attempts to supplement its prominence in cyclical industries like garage doors—which led to an alarming flicker in earnings three years ago—with a presence in younger markets. If the first six months' profits growth is repeated, Henderson should make at least £5.5m before tax for the year, which puts the shares at 170p, up 8p, on a fully taxed multiple of 14.

Retail upturn lifts Foster Bros.

REFLECTING A general upturn in retail activity, and changes in the trading platform of group companies interim taxable profits of Foster Brothers Clothing increased from £1.02m to £1.92m.

For the six month period to August 31 1983 turnover rose from £37.79m to £44.48m.

Included in the first half results is an inaugural contribution from Millets (Sutton), acquired last November, which held up to expectations, and profits for the year should be in line with budget.

Mr B. G. Davison, chairman, said that all retail companies improved against the comparable period last year. In Foster Menswear the new image is continuing to achieve increases in sales, and the programme of new branch openings and conversions of existing sites is being accelerated to take advantage of this success, he added.

At present some 50 shops are operating under the new formula, but he expects this number to be in excess of 80 by Christmas.

In the U.S. the usual loss for the first half was lower and, if progress continues, indicates a much better final result.

The remaining six months have started well with sales ahead of budget, but the year's outcome will depend to a large extent on the success of Christmas trading, Mr Davison said.

However, subject to no unforeseen problems, he anticipates a satisfactory increase against last year.

The interim dividend is lifted from 1.1p to 1.25p net. Earnings per 25p share for the opening half were slightly more than doubled at 2.9p against 1.4p.

In the last financial year, to the end of February, a final dividend of 2.25p was paid with the taxable surplus, including a £1.51m profit from property sales, at £5.04m. Turnover for the 12 months was £82.52m.

First half tax took £566,000 (£398,000) and after dividend payments retained profits emerged at £785,000 compared with £118,000 and £397,000 for the whole of last year.

● comment

While still catering for the lower end of the menswear market Foster's decision to jazz-up its image is starting to pay off. All the refurbished units are turning in results which outperform the general increase in consumer spending, so it is not surprising that the company is accelerating its £12m modernisation programme across the group. With another 300-odd stores to get a face-lift, the recovery trend has every chance of continuing. The only blights are the less important childrenswear business, which continues to incur losses, and the U.S. venture, yet to show its paces. These notwithstanding, the group is on course for at least £6.3m if the important Christmas season does not disappoint, which puts the shares, up 5p to 91p, on a prospective p/e of 7.8 (historical tax charge) while the yield is almost 6 per cent if the payout goes up a tenth.

Helical loss as margins disappear

A DIVE into pre-tax losses of £165,000 against profits of £76,000 has been shown by Helical Bar for the first six months to July 30 1983. Price-cutting and low demand, referred to in the last annual report, intensified into the current year, say the directors, and with increasing steel prices, operating margins are now non-existent.

Turnover of this supplier and fabricator of steel reinforcement slipped from £3.93m to £3.48m.

At the end of the last full year pre-tax losses came to £86,737 (profits £210,484). The directors said that the future was still uncertain as it depended on an upturn in demand for reinforcement in the construction industry.

Operating losses for the first half of £200,000 (profits £60,000) plus associate losses of £11,000 (profits £16,000) were partially offset by dividends received this time of £46,000. These came from Saudi Steel Reinforcements, which is 25 per cent held by Helical. Trading results of Saudi Steel in the first half of 1983 have shown a further improvement on the same period last year.

Operating losses also included an exceptional £14,000 charge in connection with past employment costs.

There was no charge for tax this time (£30,000), although there were extraordinary redundancy costs of £13,000, leaving attributable losses of £178,000 (profits £46,000). The loss per 25p share came to 5.7p (earnings 1.6p).

There was again no interim dividend—the last payment was a final of 1.75p in 1981.

Fairview recovery continues

FURTHER RECOVERY was achieved by Fairview Estates during the 12 months ended June 30 1983.

Turnover advanced by £6.62m to £37.59m and profits at the pre-tax level rose from £6.25m to £7.51m following a much improved second six months when figures of £4.4m were returned, compared with last time's £3.42m.

Continued reductions in interest rates helped to improve profit margins.

Full year earnings advanced by 2.2p to 17.7p and an increased final dividend of 4.04p (3.673p) lifts the net total from 5.001p to 5.501p per 50p share.

Group pre-tax profits reached £10.32m in 1979-80 but they fell sharply the following year to £5.75m.

Fairview's principal activities are development and investment in property and development and sale of residential property. As known, it is withdrawing from housebuilding over a period of four years.

Mr D. J. Cope, the chairman, says the current year has started "satisfactorily" and points out that lower interest rates will help all aspects of the group's business.

The contracted rent roll is now £4.88m, an increase of 10 per cent in 12 months, and steady progress in the growth of net assets has been made—net assets per share rose by 11p to 166p over the year.

The chairman adds that the quality of the portfolio prevails and good progress has also been made in house sales and in the reduction of land stocks.

The directors valued the property investment portfolio and development land and buildings at £76.1m as at end-June 1983. This showed a surplus compared with the book cost figure in respect of the investment element of £29.1m, of which £7.4m was not incorporated into the 1982-83 balance-sheet as it was felt that this should only occur when an independent valuation has been undertaken.

The land and buildings under construction were included in the balance-sheet at cost although these were certain to contain a further surplus, the directors say.

Mr Cope says the hoped for improvement in the market for the letting of industrial space has not materialised and progress in this field is very slow. However, he adds that the policy of limited exposure pursued in the past two years has resulted in the group having very little industrial and warehouse space built and unlet.

The construction of pre-let retail premises at Tottenham and Stamford Hill, totalling 84,000 sq ft has continued on programme with Tottenham now complete and handed over to J. Sainsbury, Stamford Hill is due to be handed over to Safeway in eight weeks.

No land has been acquired for development purposes during the year and "caution is still paramount" in the development of the group's existing sites.

A retail investment holding has been acquired in Doncaster town centre for future potential, both by re-development and refurbishment, which will improve both quality and yield. This type of opportunity will continue to be sought.

The chairman says the recent trend towards record prices being paid for housing land has confirmed the wisdom of the decision to withdraw from this activity and points out that a replacement of housing land stocks could well have meant an increase in borrowing in the region of £15m.

During the current year house sales have been achieved at a satisfactory rate and rent reviews and new lettings are progressing "slowly but surely."

Construction of two office buildings, at Enfield and at Hayes, has been completed and both are now being actively marketed. Lettings are hoped for soon.

● comment

Shareholders may have to wait at least another year before they learn the true net asset value of Fairview Estates, thought to be nearer 190p a share than the company's estimate of 166p. It will also be only in the next financial year that Fairview will begin to show the results of the changing portfolio mix, as it sells most of the remaining residential properties. The £4.88m rent roll is divided approximately 27 per cent commercial, the rest industrial. But once income starts flowing from the recently completed office buildings at Enfield and Hayes then the commercial proportion will rise considerably. Borrowings are slightly up in total due to the inclusion of a Canadian subsidiary for the first time which was formerly an associate. More details will be revealed in the annual report published on November 4. Meanwhile, the shares closed unchanged at 123p which on an estimated NAV of 190p puts the shares on a 35 per cent discount, the average for the sector.

David Dixon losses mount

FOR THE year ended March 26 1983 hosiery, leisurewear and knitted fabrics manufacturer David Dixon Group suffered much higher taxable losses of £424,000 against £18,000, and were wholly attributable to subsidiary, Tudsbury, all other companies having been profitable.

Directors say the main reasons for this "unexpected loss" were forced sales of large stocks of fine-gauge hosiery and stock write-offs in the underwear division.

The final dividend is also omitted leaving the total at 2.22p (6.2p) per 25p share.

Losses have continued at Tudsbury into the current year, mainly because orders were taken in the previous year at below cost, the directors explain. These have been worked through, and increased selling prices are now being obtained.

Warp knit orders are at record levels and preliminary results are very encouraging, the directors say. They are confident of a much better year for 1983/4.

Orders within the group are still at a high level and although margins are very low, recently more realistic selling prices have been obtained.

Group turnover increased from £11.95m to £13.36m for the 12 months and there was a tax credit of £29,000, against a £10,000 charge. There were no extraordinary items this time (£57,000 debits) and loss per share was 22p (1.7p).

A high proportion of the company's fine gauge hosiery production is sold to one customer, directors explain, and in January last, it decided to change styles and packaging. Tudsbury was, therefore, left with substantial stocks of goods and materials, which included large quantities of finished goods in the old style packs.

Directors had no option but to liquidate these stocks at less than half the cost. The knitting plant had to be shut down for a month, and the disruption in production together with the stock losses cost the company in excess of £150,000.

Directors state, however, that a new management team has now been installed at Tudsbury and has reappraised stock levels in light of current requirements. This has resulted in the writing-down of excess and redundant underwear stocks and materials, by a further £140,000.

Acsis Jewellery cuts loss

The middle six months of the current 16 month period show a reduction in the pre-tax deficit at Acsis Jewellery, when compared with the second half of last year.

Losses for the period to July 31, 1983 were £206,000 against £390,000 deficit. Incorporating this period the 12 months deficit was lower at £157,000 compared with £188,000, on turnover of £4.84m (£4.49m).

During the opening six months of the 18 month period lower taxable profits of £49,000 (£202,000) were made which the directors said reflected the depressed state of consumer spending on jewellery.

The directors now state that current performance remains satisfactory, but the Christmas trading period will determine the outcome for the 18 month trading period to January 31 1984.

In view of progress made, they are "cautiously optimistic" as to group prospects especially in the light of the recent improvement in retail trade generally.

The improvement in the six months under review, they say, was achieved by increased market penetration together with a rationalisation of the non-retail loss making activities.

The directors have continued their policy of reducing non-retailing activities, and considerable progress has been made in the development of more efficient merchandising and stock control procedures.

Retail turnover for the period was 52 per cent higher, and overall group turnover expanded by 24 per cent from £1.6m to £1.99m. The operating loss was down at £125,000 (£342,000) but bank and interest charges increased to £81,000 (£48,000).

With the absence of a tax charge (£36,000) the loss per 10p share was cut to 3.81p (7.89p). In order not to prejudice the ability to achieve trustee status for this USM stock a nominal dividend of 0.001p will be paid.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Acsis Jewellery‡	0.001¶	—	—	—	3.7
Advance Services ... int.	1.1	Jan 5	1	—	3.5
Avana Group ... int.	3.75	April 10	3	—	7.5
Boosey & Hawkes ... int.	2	Dec 2	—	—	2.5
David Dixon	Nil	—	3.98	2.22	6.2
Fairview Estates	4.04	—	3.67	5.5	5
Foster Brothers ... int.	1.25	Dec 9	1.1	—	3.35
Gill & Duffus ... int.	4	Dec 15	3.6	§	8.4
Hamilton Oil ... int.	1	Dec 8	—	—	1
Henderson Group ... int.	1.6	Dec 12	1.33*	—	4*
Manson Finance	0.5	Dec 1	0.5	1	2
TR Australia Investment	2.05	Jan 4	1.9	3.65	3.5
TR Natural Res. ... int.	3.5	—	3.18	—	7
Wire & Plastic ... int.	1	—	0.85	—	1.9

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Final of 5.5p forecast. ¶ For 18-month period.

Public Works Loan Board rates

Effective October 26

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	10½	10⅝	10⅞	11¼	11⅜	12
Over 3, up to 4	10⅝	10¾	11⅛	11⅜	11⅝	12
Over 4, up to 5	10⅞	10⅞	11¼	11½	11¾	12
Over 5, up to 6	11	11	11⅜	11⅝	11⅞	11⅞
Over 6, up to 7	11	11⅛	11½	11¾	11⅞	11⅞
Over 7, up to 8	11⅛	11¼	11½	11⅞	11⅞	11⅞
Over 8, up to 9	11¼	11⅜	11⅝	11⅞	11⅞	11¾
Over 9, up to 10	11⅜	11⅜	11½	11⅞	11⅞	11¾
Over 10, up to 15	11⅜	11⅜	11	12	11¾	11⅝
Over 15, up to 25	11	10⅞	10⅝	11⅝	11⅝	11½
Over 25	10⅞	10¾	10½	11½	11⅜	11⅜

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

ISSUE NEWS

French Connection plans USM quote

French Connection, which markets fashion clothing, is coming to the Unlisted Securities Market in e fixed price offer for sale of 1.82m shares et 128p each.

No money is being raised for the company as all the shares being sold are from the chairman, Mr Stephen Marks. Mr Marks will keep more than 80 per cent of issued capital.

The company will be capitalised at £18.7m et the offer price.

For the year to the end of January 1979 pre-tax profits came to £603,000, hut the next three years produced only £235,000 combined. At the end of January 1983 profits were £803,000, and the forecast for the year to January 31, 1984 is not less than £2.8m on turnover of about £16m.

The offer price puts the shares on an actual tax prospective multiple of just over 11, and e fully taxed multiple of almost 14. The indicated gross dividend yield at the offer price is 4.5 per cent.

The prospectus will be available from tomorrow, and the application list opens on November 2. Dealings are expected to begin on November 8. The shares are being offered for sale by Barclays Merchant Bank. Brokers to the issue are Grieveson Grant.

● comment

Investors are often told to beware of companies with erratic profits records which come to the market with e forecast of a bumper year. However, French Connection and its financial advisors insist that not only is the £2.8m profits forecast conservative, but also that it is the base for the future, not e high watermark. Even so the prospective fully taxed multiplo of almost 14 does not look like an easy killing for the stags, whose nostrils will be twitching at the scent of a fixed price offer for sale. In fairness to French Connection, the management which caused heavy losses in France a couple of years back has been sacked, and the board has now been beefed up by recruits from Marks and Spencer, and Ernst and Whinney. There are still certain risks attached to the company, with its heavy buying from the Far East and India despite the company's claim of "long experience" in monitoring the quota system and exchange rate movements.

Loan provisions bite at Manson: £2.3m cash call

PRE-TAX PROFITS of Manson Finance Trust fell from £1.39m to £273,000 after provisions, totalling £1.29m, against the group's loan portfolio.

At the same time, the directors propose raising approximately £2.3m, after expenses, by means of e rights issue and these additional funds will help expand banking ectivities and other services.

The issue will be of 9.66bn new ordinary sheres of 20p each et a price of 25p per share on the basis of one new ordinary for every two shares held on October 24, 1983.

Its major shareholders, Hong Leong Overseas bv and F. L. Smidth & Company (Holdings), who together hold 65.5 per cent of the issued equity, have indicated their support for the issue and have agreed to subscribe or procure subscribers for those shares provisionally allotted to them.

Interest and charges receivable in the year to June 30 1983 totalled £6.96m against £7.12m. There were exceptional debits of £1.34m (£1.69m) and the provision for doubtful debts was considerably higher at £1.07m compared with £297,000. Tax for the year was £54,000 against £308,000. After minorities of £2,000 (£10,000) available profit for distribution was £217,000 (£490,000, after extraordinary debits of £582,000).

The final dividend is unchanged et 0.5p net for a total down from 2p to 1p. Dividends absorb £192,000 (£386,000), leaving a retained surplus of £25,000 (£104,000). Earnings per 20p share were down from 5.6p to 1.1p. At the year-end, shareholders' funds stood at £44.1m (£44.6m).

Mr John Mowat, the chairman, says current trading is satisfactory and the board considers that the company is now well-placed to take edvantage of the opportunities available and looks forward to the future with confidence.

SE listing for Lockheed

BY DAVID DODWELL

Lockheed Corporation, the U.S. aerospace and defence contractor, was yesterday granted a Stock Exchange listing in London. On Tuesday it also won listing in Zurich.

Mr Roy Anderson, the company's chairman and chief executive, said in London yesterday that the aim of seeking listings in Europe was "to hroaden the market for Lockheed's sheres, and to make sure that the European investment community gets to know us."

He insisted there were no early plans to raise money in Europe.

Lockheed will be advised in the UK by merchent bankers S. G. Warburg, with Cazenove acting as its broker. It is expected that its shares will begin trading in London at around $43, their present price in the U.S.

The listing coincides with strong signs of recovery in the group, which has had five difficult trading years. These arose from what Mr Anderson described yesterday as some "fundamental mistakes"—including the ettempt to manufacture the TriStar, e venture which was ebandoned almost two years ago after a $2.5bn drain on the company's resources.

At present, only 8 per cent of Lockheed's shares are trading outside the U.S. The aim is to boost this share to 12 per cent.

Lockheed has paid no dividend since 1969, so it is aiming to attract investor interest on the basis of capital sppreciation on its share value.

The group's profits recovery—net earnings rose to $59.6m in the first six months of 1983, compared with $55.1m in the first half of 1982—are in part due to a steep fall in interest payments on company debt. Long term debt currently stands at $405m, compared with $884m at the end of 1982.

As part of the company's recovery, increasing sums are again being spent on research and development—$560m this year, and a projected $600m in 1984.

First Australian insurer for SE

The Australian insurance group **FAI Insurance** has obtained e listing on the Stock Exchange, the first ever hy an Australian insurance company and the first Australian company to do so since 1980. Trading starts today.

The prime reason for the listing is to help British investors to invest in the company. Around 30 per cent of investment on the Australian stock exchanges comes from Britain. Thus e London quotation for the company is a logical extension.

FAI transacts non-life business only, although it intends to offer life business sometime in the future. It has shown phenomenal growth over the past four years, with total assets rising nearly 300 per cent to A$207m (£127m), net assets attributable to ordinary shareholders by 400 per cent to A$72m (£44m) and net profit by 262 per cent to A$9.4m (£5.8m).

The company is the largest in the personal insurance market and among the top 10 Australian insurance companies for non-life business.

The company has used funds to invest in oil exploration and production, property and hotel ownership and in privete hospital and nursing home ownership.

BIDS AND DEALS

Agreed bid values Garford at £5.4m

BY DAVID DODWELL

Williams Holdings, the Monmouth-based die-casters, founders, engineers and BMW car dealers, yesterday revealed an agreed cash and shares bid for **Garford-Lilley Industries**, the engineering plastics and woodworking group, which values Garford at £5.44m.

Williams is offering one of its own shares, plus 60p cash, for every two shares in Garford. Garford's shares were suspended yesterday ot 56p, while Williams' shares ended the day unchanged at 105p. At this closing price, each Garford shares is valued at 82p, giving the company a market value of £5.439m.

Directors of Garford, including the Gould family which owns e large stake of the company, have given irrevocable undertakings to accept the offer. They account for 51.33 per cent of the company's shares.

Williams, which has been losing money for the past threo years, last year took over the Derby-based Ley's Foundries — also a loss-maker. In August this year, Mr Brian McGowan, the company's managing director, revealed that all operations with the exception of Leys were "trading at their highest levels for three years." He predicted a return to profits during the second half of the trading year.

Garford earned e pre-tax profit in the year to March 31 this year of £300,000, an a turnover of £6.25m.

Mr Bert Gould, Garford's chairman, is understood to have been keen to find a buyer for the company because he and his brother — also a director — are in their 70s and therefore close to retirement. Bert Gould is to be offered a place on the Williams board.

Mr McGowan said yesterday that his company intended to retain within the group all of Garford's subsidiaries, and gave assurances that no redundancies would arise from the takeover.

Share dealings in Garford will resume again this morning.

Edenspring seeks members approval for Oric deal

BY DAVID DODWELL

Edenspring the travel, motor and estate development group which two weeks ago unveiled e provisional agreement on an £8m bid for **Oric Products International**, a computer company founded last year, yesterday called an extraordinary company meeting for November 18 to seek shareholder approval for the deal.

If the deal goes ahead, it will involve the issue of a large number of new shares in Edenspring. It will also result in Edenspring loosing its Stock Exchange listing. Dealings in the company's shares will continue on the over-the-counter (OTC) market.

Edenspring's shares are currently suspended at e price of 9p.

In a circular to shareholders, Mr David Duguid, Edenspring's chairman, said: "Despite cancellation of listing, the directors strongly believe the acquisition is in the best interests of Edenspring shareholders."

He said that permission to deal in Edenspring's shares on the USM was hoped for "as soon as an adequate trading record for the enlarged group has been established."

Meanwhile, it is understood that the Stock Exchange Council is willing to permit regulated dealings in the company's shares —on matched bargains only— under Rule 163.

Mr Duguid revealed that its official market maker on the OTC will be UTC Securities Management. Thee othar market makers have been named—Afcor Investments, Chartwell Securities, and Harvard Securities.

He also noted: "Shareholders should not underestimate the high risk nature of an investment of this type." He said success would depend on winning sufficient orders for Oric's products, competent management and organisation, and the speed of technological change in the computer market.

As part of the deal, Anthony Gibbs, Edenspring's financial adviser, has extended a "working capital facility" of £2m. Options have been granted to Anthony Gibbs to subscribe to 5m new Edenspring shares at any time up to November 18 1988.

The company also revealed that since the original bid proposal was made, there had been e fire at the factory of one of Oric's sub-contractors. All losses are edequately covered under insurance, the company said. It was also confident that lost production will be "fully recovered" by the end of October.

Dominion disposal

In eccordance with its previously stated policy of disposing of its funeral interests, **Dominion International Group** is selling **Dundee Crematorium (Management)** for £60,000.

This former subsidiary operates the crematorium in Dundee and made profits of approximately £13,000 after a full taxation charge in its last financial year.

Dominion's property investment subsidiary is retaining ownership of the land and buildings in Dundee which were leased to Dundee Crematorium (Management) et £125,000 per annum in 1982.

The purchaser is Tayside Investments, which is controlled by Mr Max Lewinsohn and Mr Donald Neville, directors of Dominion. In view of their connection with Dominion the purchase price was based on an independent assessment.

Micro Business bid moves

Micro Business Systems, the USM-quoted company which distributes and maintains computer terminals, revealed yesterday that it is holding discussions which may lead to a bid for the privately-owned **Alveronic Computer Systems**.

Alveronic, which operates from Hull and one other base in the north of England, is headed by Mr Alan Coats. It has been operating for nearly 10 years, and employs about 40 people.

Micro, which concentrates on business computers rather than the micro-computers used in the home, was floated on the USM in November last year et e price of 120p a share. Since then, its price has soared. At the end of trading yesterday, shares were unchanged on the day et 485p, valuing the company at £32.98m.

A month ago, Mr Clive Richards, chairman of Micro, disclosed interim profits of £850,000 for the first six month of 1983 against £366,000 for the comparable period of 1982. Turnover also surged, rising from £2.71m to £6.7m. At the time of the iterim statement, he predicted full-year sales of £15m.

Refusing to disclose any details of the hid talks, Mr Richards said yesterday that he hoped to make a further announcement in "the very near future—but more like two weeks than two days."

Charles Hill director quits

Mr Alastair Milne, former chairman of **Charles Hill**, loss-making ship repairing and engineering group, resigned from the board at an extraordinary general meeting of the company yesterday.

His resignation comes just 10 months after Charles Hill was taken over by **Kennedy Smale**, West Midlands maker of electro-mechanical and telecommunications equipment and knitted gloves.

Kennedy Smale's chairman, Mr Alex Johnstone, became chairman of Charles Hill in April this year after several months of delay. Since then, he has set about major reorganisation of the company, including the liquidation of the group's ship repairing business, Jeffries Avonmouth.

After e boardroom row over the decision to liquidate Jeffries, Mr William Douie, the group's only non-executive director, resigned.

Siebe's stake in Tecalemit now 14.89%

By Ray Maughan

Siebe Gorman, the protective clothing and safety products group, closed the first phasa of its £15m bid for Tecalemit, the garage equipment manufacturer, with acceptances from holders of 6.55 per cent of Tecalemit's shares.

With purchases in the stock market, Siebe can now speak for 14.89 per cent of the equity and is extending its shares and shares plus cash offer for e further fortnight to November 9.

The view of the success, or otherwise, that Siebe has scored in the first three weeks of the bid was markedly different on each side. Kleinwort Benson, advising the defence, felt that the level of ecceptances thus far is "derisory." The merchant bank added that Siebe has given "no indicetion that it will hridge the income gap."

The defence document published by Tecalemit has already indicated an unchanged dividend of 1.6p net per share in the year to March which, efter profits of £1.75m have been taxed et a low rate, would be covered 2.2 times. Accepting shareholders, Tecalemit has pointed out, would lose 34 per cent of their income.

Striking an equally sanguine but wholly contradictory note, S. G. Warburg for the hidder said: "We are very encouraged by what we have succeeded in doing so far. Very few investors do anything in the first three weeks."

At 45p, the Tecalemit share price is still slightly above the value of the offer, taking Siebe at an unchanged price of 357p yesterday, hut it is still very much open to the hidder to revise its terms which it may couple with e profits forecast for the year to April 2. But, as the extension period begins, there is no indication yet that Siebe is preparing to amend its epproach.

BCA buys 5.1% of Coleman Milne

British Car Auctions, headed by Mr David Wickens, has acquired a 5.1 per cent stake in **Coleman Milne**, e Bolton-based specialist motor vehicle manufacturer.

Coleman Milne, quoted on the USM, is a subsidiary of Mr Michael Ashcroft's Hawley Group which held an 85 per cent stake in the company earlier this year. Coleman Milne made a rights issued last month in which Hawley was entitled to 1,928,571 new shares.

Mr Wickens and Mr Ashcroft were members of the Dowable consortium which unsuccessfully bid £23.7m for Cope Allman earlier this year.

Between them they control 44 per cent of Cope's shares. Mr Ashcroft was eppointed non-executive chairman of Cope last month.

Finlay has 93.1% of Baraoora

Taken together with the 422,216 ordinary shares held prior to the offer, James Finlay now owns 1,340,071, or 93.1 per cent, of the share capital of **Baraoora Holdings**.

The offer, by Finlay, to acquire the 1,017,784 shares not already owned, has been declared unconditional having been accepted in respect of 917,855 shares

The offer remains open and Finlay intends compulsorily to acquire the outstanding shares.

Steetley sells

Steetley Construction Materials, a subsidiary of Steetley, is selling for over £1m cash, its builders' merchants operations to Oates Builders' Merchants, e member of the Faber Prest Group.

The sale comprises outlets in Rotherham, South Elmsall, Pontefract — all trading as Steetley-Dent — and Doncaster (Needle and Stovin).

Taddale Investments

Associates of **Taddale Investments** have purchased 200,000 ordinary of Taddale at 35p per share.

Dalgety completes

Dalgety has completed the purchase of the agricultural division of **Ranks Hovis McDougall**, first announced on August 9.

MINING NEWS

Low copper price will hit Noranda in third quarter

BY GEORGE MILLING-STANLEY

THIRD-QUARTER results of Canada's **Noranda Mines** are unlikely to reflect the improvement shown in the second quarter, when the group returned to profit for the first time in two years.

The figures, due any day now, can be expected to show the advances in markets for zinc, aluminium and pulp and paper, but will be hit by the deterioration in prices for precious metals, lumher and especially copper.

This metal is vital to the fortunes of Canada's leading natural resources group, and Mr Alfred Powis, chairman, said yesterday that the group has little option but to keep half of its copper capacity idle until the price improves to around the 85 U.S. cents per pound level. The price was stuck firmly below 70 cents yesterday.

Noranda's annual copper capacity is around 216,000 tonnes, but production has been reduced to some 110,000 tonnes hy the closure of all the open-pit mines, leaving only those operations which have other metals contained in the ores in production.

Mr Powis mede the point that, although the aluminium price seems to be on a plateau at present, there is et least some turnover in the market, making production worthwhile.

Noranda now has three potlines producing aluminium at its facilities in New Madrid, Missouri. The plant is currently running at full capacity, with this year's output expected to be around 170,000 tonnes against 127,000 tonnes in 1982.

Provided the market holds up, next year should see production of 240,000 tonnes from a full year's operation of all three potlines.

Mr Powis edded that the group has now outlined an ore reserve of 22m tonnes at the exciting Hemlo gold camp in north-western Ontario. The deposit grades an average of 0.3 ounces (9.3 grammes) of gold per tonne.

At the projected production level of 1,000 tonnes of ore per day starting in early 1985, rising to 3,000 tonnes by eerly 1987, this would be sufficient for a life of some 20 years.

The orebody is still open at depth, so that there is considerable potential for either an extension to the productive life or for an expansion in the milling rate.

Mr Powis rejected suggestions that the deadlines agreed with its partners in the venture for the start of e mining operetion will put pressure on Noranda to reach e hasty settlement in its legal dispute with **Lac Minerals**, which lays claim to a large part of the group's lease area.

The financial penalties for a late start-up are minimal when set against the potential profit from the Hemlo area, and in any event Mr Powis is confident thet the dispute would be resolved in Noranda's favour if it ever came to court.

In early editions of October 21 the word Amex incorrectly appeared in the heading to our report from Paris on the third quarter results of Amax, the U.S. diversified natural resources group. The report did not, of course, have any connection with the affairs of Amex which is an abbreviation used for American Express.

Greenwich Resources to search for gold in Egypt and Ghana

THE Vancouver-based **Greenwich Resources**, 15 per cent-owned by the **Robertson Research** oil and mining consultancy group, announces that it has reached agreement with the Government of Egypt to enter into e joint venture to explore for gold in the Red See Hills.

Greenwich's **Minex Developments** subsidiary will undertake the two-year exploration programme costing not less than US$1.25m. At the end of the exploration period there will be e Minex-Egyptian joint venture development and mining period of 25 years.

The cost of the exploration and development programme will be funded by Minex hut the latter will receive e complete capital payment before any distribution of profits. The joint venture profits will be distributed as to 61 per cent to the Egyptian Government and 39 per cent to Minex.

However, all tax, royalties and government charges will be payable out of the Government's share of profits, leaving the Minex share of profits free of all taxes and royalty payments.

The area involved covers some 5,000 square kilometres and includes the mining centres of Barramiye and El Sid. Minex will have the first exploration and mining licence granted to e foreign company in Egypt since 1953.

Meanwhile, Greenwich has already announced another desert gold venture in the Sudan. Drilling operations are now commencing et the old Gebeit Gold mine in the Red Sea Hills of the Sudan following the successful dewetering of the deep mine workings.

Yet another search for gold involves a joint venture between Minex and Wamco (Ghana) to prospect and develop a big alluvial gold area within 100 km of Accra. Wamco has the only current gold prospecting licence in Ghane.

Ghana has o long gold history and its star Ashanti mine is one of the richest ever discovered. Mr Stanley Eskell, managing director of Greenwich, described the potential for further gold mining operations in Ghana as "enormous," edding that the country was "probably one of the most under-developed gold areas in the world."

Earlier this year Greenwich raised some C$10m (£5.4m) via the public issue of 4m units at C$2.50 (about 133p) each, the units comprising one common share plus a warranty to huy half a further share on the price basis of about C$3 per full share. The shares were 153p in London yesterday.

Boosey & Hawkes gains more ground

Boosey & Hawkes, music publisher and musical instrument manufacturer, continued its recovery in the first six months of 1983 and recorded a taxable profit of £481,000 compared with e £659,000 deficit.

The surplus for the period follows e return to profits in the later half of last year. This overturned the first half loss and resulted in an overall profit of £549,000 for 1982.

First half turnover expanded by £3.4m to £17.3m and current demand is steady. The group should continue to trade satisfactorily for the remainder of the year, but the second half is not expected to mirror the turnround achieved between halves in 1982.

Publishing continues to progress, though the sheet music market is difficult. Elsewhere, the manufacturing companies continue to improve their performance, although there is still much improvement to make.

A return to the dividend list at the end of last year, with a final of 2.5p, has been upheld and a 2p interim is being paid.

There was a £307,000 (nil) tax charge for the opening half and after minorities of £14,000 (£6,000) there was a attributable surplus of £160,000, compared with e £665,000 deficit. For 1982, after all charges, the surplus was £149,000.

Roisnob wound-up

Roisnob was compulsorily wound up by Mr Justice Nourse in the High Court.

Yearling bonds total £21.85m

Yearling bonds totaling £21,850,000 at 9 11/16 per cent have been issued by the following authorities:

Barking and Dagenham (London Borough of) £500,000; Berwick-upon-Tweed Borough Council £250,000; Kirklees Metropolitan Borough Council £2,000,000; Windsor and Maidenhead (Royal Borough of) £500,000; High Peak (Borough of) £500,000; Lambeth (London Borough of) £500,000; Lancaster City Council £250,000; Lothian Regional Council £1,000,000; Liverpool (City of) £2,000,000; Metropolitan Police District (the Receiver for the) £500,000; Edinburgh (City of) District Council £1,250,000; Lambeth (London Borough of) £1,000,000; Manchester (City of) £2,000,000; Sandwell (Metropolitan Borough of) £1,000,000; Darlington Borough Council £1,000,000; Congleton Borough Council £350,000; Islington (London Borough of) £2,000,000; Sefton Metropolitan Borough Council £1,250,000; Slough (Borough of) £500,000; Westminster (City of) £1,000,000; Cleethorpes Borough Council £500,000; Greenwich (London Borough of) £1,000,000; Newport Borough Council £500,000; Ogwr Borough Council £500,000.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Allied Leather Industries, Barlows, Coats Brothers, De Vere Hotels and Restaurants, Feb International, Norman Hay, Philip Hill Investment Trust, Nineteen Twenty-Eight Investment Trust, Portsmouth and Sunderland Newspapers, Toshiba, United Ceramic Distributors, Weeks Associates.

Finals: Audio Fidelity, O P C E, McKechnie Brothers, Manganese Bronze, North Atlantic Securities, S. Simpson, Stewart and Wight, Stocklake, Walker and Homer.

FUTURE DATES

Interims—	
Airflow Streamlines	Nov 3
Cater Allen	Nov 8
Chloride	Dec 2
Evans of Leeds	Nov 29
Graig Shipping	Nov 4
Marks and Spencer	Nov 2
Porter Chadburn	Nov 8
Seccombe Marshall and Campion	Nov 9
Finals—	
Abaco Investments	Nov 3
Majedie Investments	Nov 1
Martonair International	Nov 1
Newman-Tonks	Oct 31
Ovenstone Investments	Oct 28
Strong and Fisher	Oct 31

East Devon College of Further Education, Tiverton

PRINCIPAL

Applications are invited from candidates for the post of Principal of this well established and developing college following on the appointment of the present post holder as Principal of Norfolk College of Arts and Technology. Candidates should have substantial experience in further education and a commitment to the development of post-16 education and training. Industrial or commercial experience at managerial level would be an added advantage.

Salary scale within the lower range for Group 5 Principals £19548–£20544.

Application form and further details (s.a.e. please) quoting reference CEOP/4, from Chief Education Officer, County Hall, Topsham Road, Exeter, EX2 4QG for return by 11 November, 1983.

DEVON

BANKING BANKING BANKING

INSTITUTIONAL SALES — **Min. £15,000 + substantial bonus**

Opportunity to contribute directly to growth within major City stockbroking firm. This key appointment in the highly profitable mining sector carries full responsibility for introducing and servicing further busioess. Candidates should display a successful track record in institutional sales, with related sector experience.

LOANS/MARKETING — **c£13,000**

Trade-finance orientared international bank consolidating their London operations can offer excelleot career scope within the credit area. Working closely with the Credit Manager, initial responsibilities for documentation and risk assessment will develop towards a broad marketing role. Potential withio this dynamic environment will appeal to well-qualified clearing bankers with knowledge of ECGD backing.

DOC. CREDITS SENIOR — **to £13,000**

Increased business within major U.S. bank has created this No. 2 role offering sound career development. Extending to both technical and supervisory responsibilities, the position will suit candidates with 5+ years' documentary credits experience, familiar with trade financing operations.

ROBERT HALF

LEE HOUSE, LONDON WALL, EC2 01-606 2813

M.W. Marshall (Sterling) Limited

have vacancies for experienced local authority/commercial brokers.

Excellent salary and conditions of employment are offered to suitable applicants. Applications in writing will be treated in confidence and should be addressed to:–
Staff Director,
M.W. Marshall (Sterling) Limited,
52 Cannon Street, London EC4N 6LU.

A member company of the Mercantile House Group

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-248 1858

Our current list of Recruitment Assignments includes:

BANKING

LENDING OFFICER — £20,000+
AVP level or higher with wide experience.

MANAGER – SECURITIES DEPT. — £Exc.
Merchant Bank. Preferred age 35/40.

SOLICITOR — £Exc.
With commercial experience to fulfill legal role.

LENDING OFFICER — c.£18,000
U.S. trained with continental experience.

MARKETING OFFICER – U.K. — £16,000+
Should be late 20's – mid 30's.

CREDIT OFFICER — c.£15,000
Some marketing experience on the Continent.

CREDIT ANALYSTS — £9–14,000
Broad spectrum of banks offering good potential.

ACCOUNTS – SUPERVISOR — c.£10,000
Experience working most aspects in banking.

CAPITAL MARKETS

EUROBOND SALES — £Exc.
London institutional, Germany, Japanese.

EQUITY SALES — to £20,000+
To European institutions.

FRN TRADER/DEALER — to £18,000

For the above positions please contact:
Norma Given or Joan Menzies for BANKING
or Bryan Sales for CAPITAL MARKETS
Tel: 01-248 1858

CITY MERCHANT BANK

OPERATIONS MANAGER

Our client offers a broad range of merchant banking services primarily within the UK and is looking to recruit a person to head up the small operations team.

The job includes responsibility for financial and management information, implementation of internal controls and supervision of all banking operations, including Documentary Credits, collections and Bills of Exchange.

You will be an AIB with a proven banking background, preferably with computer experience and the ability to communicate at all levels. The position offers career prospects and a competitive remuneration package.

For further details please write to, or telephone.

Rochester Recruitment Ltd., 21 College Hill, London EC4R 2RP
Telephone: 01-248 8346

INVESTMENT ANALYST

A leading Loodon-based ioternational brokerage firm has a vacancy for an experienced Investment Analyst to join a small team engaged in research on European companies and stock markets. Candidates, aged between 25 and 35, should have at least three years' experience in investment analysis, preferably in this area of specialisation. However, candidates with a record of achievement in other areas of analysis will also be considered.

Within the environment of a relatively small company, in terms of personnel, there is considerable scope for excellent career opportunities. The successful caodidate will also need a degree of self-motivation.

A competitive salary according to age and experience together with the usual fringe beoefits will be offered.
Applicants should write, enclosing their curriculum vitae, in complete confidence to:

Box A8337, Financial Times
10 Cannon Street, London EC4P 4BY

If relevant, please state any companies to which your correspondence should not be forwarded.

International Banking

Internal Audit

City of London

With a presence in sixty countries this French-owned bank offers a comprehensive range of services to clients world-wide. The organisation has been represented in the City for over fifty years and specialises in large and medium sized companies with international connections.

The Bank has decided to upgrade the audit function and recruit a highly ambitious and self motivated individual who has the ability to rise both to the immediate challenge and to wider responsibility in the longer-term. The audit function will involve a close cooperation with the Organisation and Methods department and a positive approach to the improvement of procedures will be encouraged. Ideally candidates will have banking, internal audit and DP experience but attitude and approach may compensate for deficiency in any of these. Knowledge of French would be an advantage.

A first class salary and benefits package will be offered which will fully reflect the responsibility, status and future prospects of the post.

Please reply in confidence giving concise career and personal details and quoting reference ER637/FT to J.J. Cutmore, Executive Selection. **Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Personal Assistant to the Chairman and Managing Director

This is an outstanding opportunity for a young qualified accountant to play a creative role, as the P.A. to the Chairman of a rapidly expanding Investment Management Company.

The successful candidate, male or female, is likely to be between 25 and 30, and will be personable and well educated.

This will be a challenging and exciting opportunity for someone ready to assume responsibility within a small and flexible team.

Candidates should apply in writing to
Alan Henderson, Fraser Henderson Limited,
28b Albemarle Street, London W1X 3FA
or telephone 01-499 7551

FRASER HENDERSON LIMITED

FH

Private Client Investment Managers

CREDIT ANALYST

Age: 26-32 — £12,000

An excellent opportunity has arisen within a well-structured and expanding International Bank for ao experienced Credit Officer/Analyst. Reporting to the Credit Manager, the successful candidate will assume responsibility for the day-to-day administrative functions of the portfolio, ineluding the review and analysis of U.K. and Europeao Corporates.

Progression to a marketing role is not envisaged for some time although there will exist a degree of client cootact.

The Bank offers a full and comprehensive beoefits package commensurate with its standing, iocluding mortgage subsidy.

For further details of the above please contact, in confidence:
Stephen Lawson

RODAN RECRUITMENT LIMITED
14, Devonshire Square, Loodoo EC2M 4TE
01-377 1199

Butterfield
Bermudas First Bank

The Bank of Butterfield was established in 1858 and employs over 750 staff at its Head Office in Bermuda. Overseas offices are located in London, New York, California, Grand Cayman and Guernsey. Total assets, June 30, 1983 — BD$1.78 Billion.

TRADER MONEY MARKETS

We have immediate openings for experienced money market traders in Bermuda.

The preferred candidates will have two to three years experience in the International Money Market, and will have been active in the following areas:

- Euro Currency Deposits
- C.D.'s and Financial Futures
- Arbitrage Market.

The candidates should be mature and have demonstrated a good track record, an overall knowledge of banking activities would be an asset.

It is expected that the candidates will have achieved university level or equivalent with particular emphasis on mathematics and economics.

Excellent starting salary. Comprehensive staff benefits including re-location and housiog assistance provided. There is no income tax in Bermuda.

Please submit a complete resume in confidence to:

Mr. Alan Greaves,
Senior Manager, Personnel & Administration,
The Bank of N.T. Butterfield & Son Ltd.,
P.O. Box 195,
Hamilton 5, Bermuda.

Closing date November 15th 1983

APPOINTMENTS ADVERTISING

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International Property

New projects management

£22,000 plus — **London**

This international property development and investment company is seeking a chartered surveyor, or similar professionally qualified person, to assist in its expansion programme. As New Projects Manager, you will be involved in identifying, analysing and presenting international projects and in managing the subsequent development phase.

Aged 28-35, you must have several years' experience in residential and commercial property, including computer modelling, gained with a major firm of chartered surveyors or property developers. A commercial orientation must be allied to an aggressive style of management. A knowledge of Spanish or French would be an advantage.

Salary is for negotiation and a range of appropriate executive benefits will be provided.

Please send full cv which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.)
Ref: R2904/FT.

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Business Development Managers (2 positions)	to £27,000
Eurobonds Salesmen/Traders	£ neg
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Graduate Lending Officers (to 30)	to £16,500
Head of Bills/Doc Credits	to £16,000
Senior Credit Analyst (with French)	to £15,000
Junior Credit Analyst	to £10,000

Please phone:
Mike Pope or David Patten
01-626 5181
1/2 Gracechurch Street, London, EC3

Accountancy Appointments

Financial Controller

Vale of Aylesbury
c£15,000 + Car

Our client has established a high reputation in its sector of the water treatment industry. Their activities encompass the manufacture of a wide range of glass fibre products, the provision of package systems, through to undertaking full turnkey projects for major installations. Turnover is about £5 million.

They are already market leaders in their products field in the U.K. and there are considerable opportunities for rapid growth at home and overseas. Stringent financial control will, however, be critical, particularly with regard to the provision of management information.

They therefore wish to appoint a top calibre Controller to head up the vital finance function.

Applicants should be Qualified Accountants, aged 30-40, with several years' sound industrial experience including standard and job costing. Experience of computer-based systems is essential.

There are first-class career prospects for someone with drive and initiative and this, together with the excellent remuneration package and pleasant rural location, make it a particularly attractive opportunity.

Please send concise details including salary and day-time telephone number, quoting ref: K2001, to W.S. Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

UK/INTL. LEASING

Our clients, major international banks, seek professional leasing executives aged 28–40 years with an exemplary track record of big ticket leasing transactions.

General Manager Frankfurt — **Neg DM 130,000 + benefits**
Aged 38–40 years with at least 5 years German leasing experience covering all aspects but emphasis on business development, fluent German a pre-requisite.

Vice President Age c.35 years — **To £35,000 P.A. + benefits**
A highly skilled negotiator of the more innovative, complex lease transactions, asset management. Responsible for team strategy, motivation, Graduate or ACA MBA preferred.

UK Marketing Manager x 3 — **Neg AAE £20–25,000 P.A. + benefits**
Three major international banks seek motivated UK tax based lease marketing managers, additional technical skills must include evaluation, credit, docs, etc.

Please telephone or send detailed CVs in confidence to Brian Gooch or Jill Backhouse.

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

Motorola Information Systems Limited, part of the major multi-national **Motorola Corporation**, which is known throughout the electronic and computer world as a developer and manufacturer of high technology products, requires an Accounting Manager and a Cost and Management Accountant, both reporting to the U.K. Financial Controller, for its operation based just West of Croydon.

ACCOUNTING MANAGER

Responsibilities include

- Preparation of timely and accurate accounts (monthly/quarterly/annual) in both sterling and dollars.
- Management of account department (responsible for cash, accounts receivable, accounts payable, invoicing and general ledger).
- Management of staff, including motivation, training and development.
- Reviewing and further development of the computerised accounting system.
- Compliance with U.K. and U.S.A. accounting standards.

The ideal candidate should be a high calibre accountant ACA/ACMA, aged between 25 and 35; who has the qualities for further career development within the company.

COST AND MANAGEMENT ACCOUNTANT

Responsibilities include

- Preparation of short and long range forecasts.
- Detailed analysis of budget/actual variances.
- Reviewing and developing budgetary control procedures.
- Reviewing and developing asset control programmes.
- Evaluating and implementing improved costing systems.
- Reconciliation of book/physical inventory values.

The successful applicant will probably be a recently qualified ACA/ACMA or a person who can demonstrate at least 5 years' equivalent practical experience, who is a creative self-motivated person able to carry out investigations, identify and initiate cost reduction exercises and produce reports for submission to the Board of Directors.

Tha above posts carry attractiva salaries and other benefits include free life assurance, private health cover, pension scheme and 20 days' annual holiday.

Please forward your curriculum vitae, stating current salary, without delay to: S. J. Sewerin, Personnel Officer, Motorola Information Systems Limited, 114–116 Thornton Road, Thornton Heath, Surrey CR4 6XB. Tel: 01-689 2101.

MOTOROLA
Integrating Office Automation and Communications

MIS Audit Supervisor

Sunbury on Thames

RCA International's extensive and varied activities in Britain, mainland Europe, the Far East and South America create a role for a senior MIS audit specialist.

Reporting to the Audit Director, you will supervise the activities of audit personnel at operating units, helping to plan and control audits on information systems, computer operations, data centres, as well as security and certain financial audits. Naturally your work will bring you into regular contact with our auditors to ensure optimum coverage.

Audit reporting and the identification and solution of critical areas will be an intrinsic component of the position, and it is unlikely that anyone with less than 4 years' experience following qualification will be able to contribute sufficient experience.

Travel commitments will be extensive, and rewards include a competitive salary, company car, BUPA, pension and life assurance.

Please apply in writing to Pam A. Torma, RCA International Limited, Norfolk House, 31 St. James' Square, London SW1Y 4JR.

RCA
Technology · Entertainment · Communications

Accountancy Appointments

Business Development Accountant

Industrial Services

South East

c.£18,000 + car

The company, with a turnover in excess of £30m, is a UK market leader in providing industrial services to the private and public sectors. It has a commitment to growth and a proven performance in achieving objectives. A factor in its success is the ability to win sizeable long-term contracts, often involving substantial front-end capital investment.

This new position reports to a divisional director and takes responsibility for co-ordinating the work of a team of technical and engineering specialists when assessing new opportunities. This will involve personal input to commercial and financial aspects of the projects and summarising the team's findings into board-level recommendations. In addition there will be line responsibility for reporting on divisional operating performance.

The need is for a qualified accountant with several years direct experience of major project evaluations in an industrial or construction environment. Candidates must demonstrate strong commercial insight, supplementing technical analytical abilities. Personal qualities required include energy, confidence, maturity and skill in communication. The ability to lead and motivate a peer group is essential.

Age: around 35.

Please write in confidence giving concise career and personal details and quoting Ref. ER650/FT to P.J. Williamson, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Accountants for Consultancy

London Based — Age 26-33

We are looking for high calibre graduate accountants to join our UK management consultancy practice based in London.

The work is varied and ranges from helping to develop business strategies to installing financial planning and control systems, for all types of enterprises in Britain and abroad.

Of particular interest to us at this time are people from manufacturing, high technology and distribution sectors of industry; applicants should have good experience of either computer based costing and management accounting systems or the development of business strategies.

We are looking for outstanding individuals and our remuneration package – which includes a car – is designed accordingly. Career prospects are excellent.

Please write, quoting reference MC/MF, to J.P. Jordan, Peat, Marwick, Mitchell & Co., Management Consultants, 1 Puddle Dock, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Whittington Appointments Ltd.

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(International Insurance & Reinsurance Company)

For Statistics, Monthly Reports, Quarterly Summaries, Budgets, D.O.T. Returns etc. Know. Computerisation — 1/4 years' practical experience.

Suit Non Life Actuary/Statistical Management Accountant, used to working under pressure.

Aged 23+ — £12,500/14,500

Call: Mrs. M. A. Cullen (Managing Director)

2 Whittington Avenue London, E.C.3

01-623 3831/2

Systems Accountants

Marathon International Petroleum (GB) Limited is a major division of a US Oil and Gas Company with worldwide interests, foremost of which is the Brae Field development in the North Sea. The direction and control of this advancing project demands increasingly sophisticated management information systems particularly in the key areas of accounting and finance.

In order to ensure a continuing high level of support to operating management we are seeking two qualified accountants (ACA, ACCA or ACMA) aged 25-35 to join our Corporate Systems Accounting team:

Technical Accountant

To play a major role in the review and development of accounting procedures and standards. Applicants should have several years' experience working within the technical department of a large commercial organisation or professional practice.

Systems Development Accountant

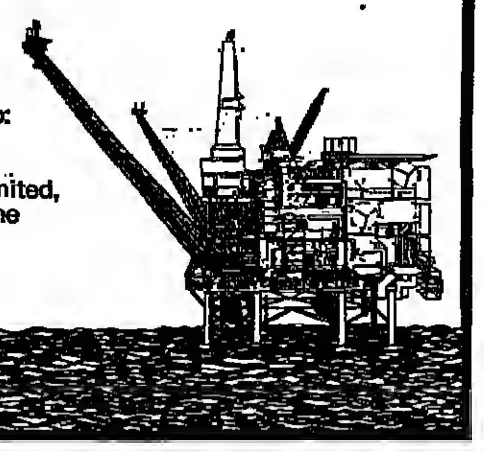
To work as a member of a small project team, together with computer services staff and line management, defining, designing and implementing new and enhanced systems. Applicants must have at least 2 years' experience of developing or validating computer based accounting systems.

In addition to the opportunity to participate in a major programme of systems development, we offer a generous package of rewards including a non-contributory pension scheme as well as excellent prospects for further career development within an expanding organisation.

Please write or telephone for an application form to:

Mr David Payne, Marathon International Petroleum (GB) Limited, Marathon House, 174 Marylebone Road, London NW1 5AT.
Tel: 01-486 0222 ext. 2342.

MARATHON



Accounting Opportunities in a retailing environment

London c.£13,750

Marks & Spencer is the largest multiple retailer in the UK with over 260 stores countrywide. It also has stores throughout Canada and in Europe. Last year's turnover: £2500 million. Pre-tax profit: £239 million.

Our Finance Group is centralised, operating from Head Office in Baker Street, London. It is here that we have the following vacancies covering three aspects of the finance function.

Assistant Management Accountant

to join a newly formed team responsible to one of our Senior Accountants. The varied work will include helping further to develop a management information system; producing departmental and store profitability costings and the costing of new and existing ventures; developing allied computer systems; and providing financial information to other areas of the business.

Assistant Accountant

to join our Treasury Department and assist the Leasing Manager evaluate and negotiate leasing opportunities; prepare management and financial accounts for all leasing and money market transactions. There will be additional work on the company's tax affairs, particularly those relating to treasury activity.

Assistant Accountant

to join the management team of the accounts department, which has a staff of 57. Their work covers the payment and control of the company's overhead and capital expenditure as well as the production of the company accounts.

Applicants for these posts must be qualified accountants (ACA, ACMA, ACCA, CA), and aged around 25.

Starting salary: c.£13,750. The many company benefits include lunch facilities; non-contributory pension and Life cover arrangements; a generous holiday entitlement; and profit sharing after a qualifying period.

All the posts could lead at a later stage to successful management careers within the financial or administrative areas of the company.

For further details and an application form please write, quoting ref. FT, to Mrs. B. S. Cunningham, Marks & Spencer, Michael House, 47 Baker Street, London W1A 1DN.

Marks & Spencer

ACCOUNTANT fully qualified, min. 10 yrs. exp. for top commodity trading co. Luxury Mayfair offices. Preferred age 30-35. Salary c.£15,000 a.a.e. ANN PETRIE EXEC REC 01-499 0017.

Challenging opportunity for the Commercial Accountant . . .

MANAGER — FINANCIAL ANALYSIS

Surrey to £15,000 + Car + Benefits

Our client is a large and highly successful U.S. group involved in the refining, distribution and marketing of a variety of precious metals.

They are now seeking to recruit a Manager — Financial Analysis, who will be based at their European headquarters in Surrey. Reporting to the Controller of European Group Accounting, the successful candidate will primarily be responsible for consolidations, budgeting, long range strategic planning and capital expenditure appraisal. He or she will also be expected to exhibit a commercial awareness in carrying out operational reviews of the U.K. subsidiaries and providing senior management with necessary and relevant reports and recommendations.

Candidates for this appointment will be business orientated qualified accountants, aged between 28 and 33 years, who have a minimum of four years previous industrial experience gained in a manufacturing or marketing environment. Personal qualities are as important as technical competence and the successful candidate can look forward to excellent career progression within the organisation.

Written applications containing career details should be forwarded, in confidence, to Robert Collier or Tim Forster B.Com. at our London address quoting reference number 4232.

410 Strand,
London WC2R 0NS.
Tel: 01-836 9501

DOUGLAS LLAMBIAS

Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

DLA

ACCOUNTANCY ACCOUNTANCY ACCOUNTANCY

RH

EUROPEAN ACCOUNTING MANAGER

BERKS c£18,000+Car

Our client is an expanding US mini computer company with a network of subsidiaries and dealers throughout Europe. The company is currently seeking a mobile, commercially aware accountant to join its European HQ in Slough.

Working closely with the European Director of Finance, the European Accounting Manager will enjoy considerable contact with senior management and will travel throughout Europe on a regular basis. Responsible for identifying and solving accounting and operational problems, this 'troubleshooting' role embraces financial accounting and reporting, treasury, tax and audit work.

Suitably qualified candidates, aged 30-35, should possess excellent operational experience, preferably gained within a US environment. They will have a thorough working knowledge of French or German combined with first-rate technical skills and a cosmopolitan approach.

Initial enquiries to Jeff Grout 01-606 6771

ROBERT HALF

LEE HOUSE, LONDON WALL, EC2 01-606 6771

Accounting for Growth

Central London £12,000-£14,000

Our client, a U.S. subsidiary of a leading retailer, has recently reorganised its accounting function to meet the demands of a fast expanding business. A young qualified accountant is now required to join this highly motivated management team at its European Head Office.

Reporting to the Assistant Controller you will have extensive involvement in the production of management accounts and budgets, the monitoring of performance against budgets, capital expenditure control, analysing problems and recommending necessary action to management. The company utilises sophisticated computerised accounting and control systems.

This successful group operates in an entrepreneurial market place and has a forceful and dynamic style. Personal qualities essential to your success will include a strong personality and an ability to respond quickly to the demands of senior managers.

Please telephone or write to Jacqueline Boyd quoting Ref: 7140.

Lloyd Chapman Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

Chief Accountant

Up to £20,000 plus car Bucks

A major British Company seeks a senior Accountant to take full control of the total financial functions from budgets to annual accounts. Essential features are the ability to control a large staff effectively and to communicate to all levels of management and staff.

Qualified accountants aged 30-40 must have up-to-date experience of the installation and operation of fully computerised reporting and control procedures, preferably a multi terminal system. Salary is negotiable up to £20,000 and a car will be provided. There is a good benefits package.

Applicants should send a full curriculum vitae to Bernard L. Taylor or telephone for a personal history form quoting Ref: 6663.

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants

MHAT

37 Golden Square,
London W1R 4AN.
01-434 4091.

CITY BASED CHAIRMAN

with considerable and varied business interests

SEEKS AN EXPERIENCED ACA OR EQUIVALENT

to advise on and administrate his financial affairs

Successful applicant is likely to have City or commercial background and be versed in all aspects of taxation.

A very attractive salary is offered to the right person.

Reply in confidence to Box A.8343, Financial Times

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Deputy Financial Director

West Yorkshire, to £20,000 + car

This is an outstanding and unusual opportunity for a young (late 20's/early 30's) graduate Chartered Accountant/MBA. The company is substantial and the main task is to be able to use and interpret information in order to help make decisions that will make a positive contribution to the future success of the business. Success to date in a similar commercial role must be easily demonstrated, probably in a large organisation. The successful candidate must be capable of filling this Financial Director role or another similar role within the group within 2 years. Candidates will be intelligent but practical, quick reactors, sensitive and creative. Excellent future prospects will present themselves to a really high powered individual.

J.R. Featherstone, Ref: 12262/FT. Male or female candidates should telephone in confidence for a Personal History Form 0532-448661, *Minerva House, East Parade, LEEDS, LS1 5RX.*

Accountancy Appointments

Accountants report better results as Management Consultants

London & Birmingham £15-22,000+car

These days, annual reports can make depressing reading. But some young accountants are reporting surprising improvements in performance, profitability and prospects.

That's because they're talking about their own careers; as management consultants with Deloitte Haskins & Sells. They've become agents of change, a role sought by many accountants determined to make the most of their professional training and experience.

It isn't easy to join us. There are some tough entry requirements. You'll need a good degree, and an accounting qualification. Supported by a successful career in the private or public sector.

You must also be a rather unusual person. An imaginative but practical approach to solving business problems is essential. Equally, you'll need to be quick thinking, tactful, really persuasive both in the boardroom and on the shopfloor, and eager to learn more all the time.

Because you'll hardly be doing an ordinary job. There's no standard pattern of work for a consultant. Your assignments could last a few days, or a few months. On one you might assess a company's viability. On another, you could introduce a new financial control system. Perhaps advise on venture capital sources. You'll probably work with consultants from other disciplines. You'll certainly work in many industries, across the U.K. and sometimes abroad, with organisations of various sizes and complexions.

Yes, it is demanding. It doesn't suit everyone. But the work atmosphere is unique, promotion comes rapidly (based on merit), and we pay our consultants well. Up to £22,000, in fact, with benefits which include a car for senior consultants.

If you want to report better results, report to Geoffrey Thiel at the address below, quoting reference 1252/FT (for London base) or 1253/FT (for Birmingham base) on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

West Midlands c.£20,000 + Car

Finance Director

Our client is a small, well established group of companies that design, manufacture and erect major process and mechanical handling plant. Highly innovative both mechanically and electronically, they are main contractors to the NCB and industry generally. They seek a Finance Director who will take total charge of the administrative support to this activity.

The successful candidate will be aged mid-thirties upwards and a qualified accountant well used to keenly competitive situations. Experience will include control of an Accounts Department, the development of computerised management information and control systems, and skilful cash management – preferably in contracting.

This is a hard job in a hard industry, but the Group is profitable and expanding, and to the resilient can offer considerable satisfaction as reward for the creative commitment sought from the appoiotee. Other benefits include noo-contributory pension and private medical insurance, and an equity stake is possible. Assistance will be given with necessary relocation expenses.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr C.A. Cotton, Executive Recruitment Division, Stoy MLH, 3rd Floor, Waterloo House, 20 Waterloo Street, Birmingham B2 5TS, quoting reference M583.

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Candidates should write to John Sheldrake enclosing a comprehensive curriculum vitae, quoting ref. 951 at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

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Exploratory interviews for suitable candidates regarding the above will be conducted at our offices near Holborn. Consultants from both our Banking and Commercial Divisions will be available. Please quote reference 151 when replying to **Roger Tipple or Tony Martin, Michael Page Partnership, P.O. Box 143 31 Southampton Row, London WC1B 5HY. Telephone 01-405 0442.**

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c.£20,000 + car
W. London

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Candidates, ideally graduates, will have at least 2 years' p.q.e. gained in a U.S. multinational Company with emphasis on active involvement in computerised accounting/information systems. Age indicator: 25–30.

Reporting to the Accounting Systems Manager duties include:–

- ★ Producing accurate financial and management reports.
- ★ Ensuring that the Division's accounting practices are consistent with corporate policy.
- ★ Analysing balance sheet and cashflow movements.
- ★ Improving the quality of the accounting/information systems.
- ★ Co-ordinating the Division's external audit requirements.

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Britain's national news agency requires a

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The successful candidate (ACA or ACCA) will be in the age range of 35 to 45 and will report directly to the chief executive and through him to the Board. Principal responsibilities will be for the accounting activities, the provision of trading and financial information, budgeting, and the management — in conjunction with the company's stockbrokers — of a substantial investment portfolio.

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ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1N 7RH
Tel: 01-637 5277 ext. 281/282

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday October 27 1983

Faster decline in copper prices, Page 42

WALL STREET

Caribbean unnerves investors

FINANCIAL MARKETS in Wall Street traded nervously yesterday beneath the shadow of events in Grenada and the Lebanon. Stock prices slipped lower in modest turnover but the bond market held steady until the end of the session, when prices turned easier in response to the announcement of the U.S. Treasury's quarterly funding programme, *writes Terry Byland in New York.*

By the end of the session, the Dow Jones Industrial average was 8.64 down at 1243.80 and both the Nasdaq and American Stock Exchange indices were also lower. Turnover of the NYSE totalled 79.9m shares. There were 627 stocks with gains and 923 with losses.

The flow of quarterly reports from major companies continued, with Chrysler, Bethlehem Steel, Xerox, Gulf Oil and Nabisco Brands announcing their latest trading profits. Chrysler's excellent third-quarter profits had been well discounted and, at $30, the stock was $⅝ down after the announcement.

Other motor issues remained firm, General Motors closing unchanged at $79, and Ford $¼ easier at $68⅞ while awaiting the trading report.

Xerox failed to excite investors with its trading report which left the stock $⅝ off at $45⅞, but Data General jumped $4⅜ to $71½ in response to excellent trading figures.

Other computer issues traded sluggishly with IBM $½ lower at $128 and NCR $1⅜ lower at $123⅞. Storage Technology weakened afresh, dipping by $⅝ to $15⅝. But Honeywell lost on early gains to close $1 down at $127.

Oil shares were mostly easier in response to the general uncertainty on the international stage. Exxon eased $½ to $38⅝, and Mobil at $29⅞ slipped by $⅝ after the results. Gulf Oil held unchanged at $46⅝ on the trading figures, while Murphy Oil shed $⅜ to $32⅞ on theirs. But two firm spots were Philips Petroleum, unchanged at $34¼ after the third-quarter report, and Standard Indiana also unchanged at $50½, in continued response to last week's trading news.

Chemical issues were mixed, with the main feature being a sharp fall in Monsanto – down $4¼ to $106½ – after the stock was removed from the buy list of a major brokerage house.

On the consumer pitch, Procter & Gamble shaded down by $⅜ to $57⅞ after results. Food stocks to respond to trading news included General Foods, $⅛ higher at $51½, Dart & Kraft $⅝ down at $67⅞, and Nabisco Brands $½ higher at $41⅞ after somewhat uninspiring third-quarter results.

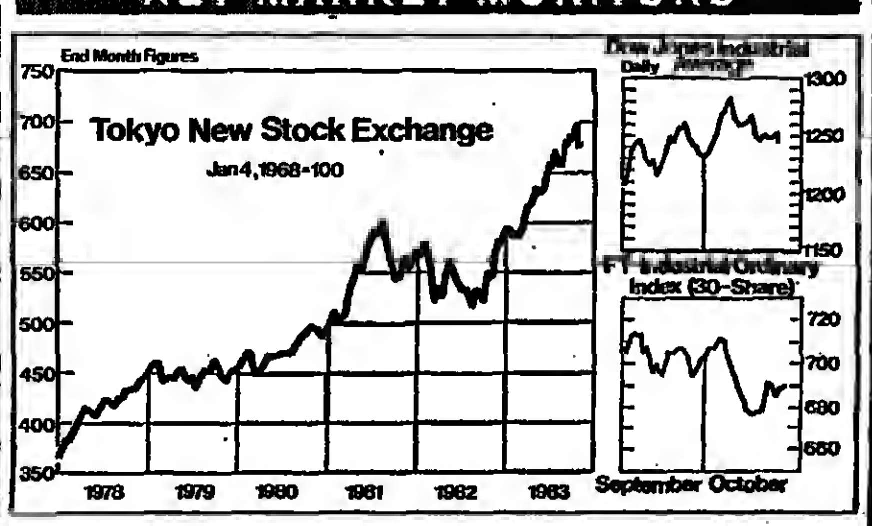
General Re, the major re-insurance group, gained $2 at $65¾ after disclosing good results. The banking sector remained worried over the South American debt situation. Chase Manhattan fell $1⅛ to $43, and Citicorp at $31⅛, gave up $⅞.

There was profit-taking in airline stocks, but Eastern at $5½ held steady despite downgrading of the preferred stock by one of the major rating agencies. Rail stocks also gave up some of their recent gains.

In the credit market, the key long bond at 101²⁹⁄₃₂ was ⅛₂ off in a very quiet market. Dealers commented that, while the market remained fundamentally weak, it was unlikely to move far until details of the Treasury funding requirements were announced.

At the short end, Treasury Bills held steady, the three-month bill at a discount of 8.65 per cent, and the six-month at 8.68. Federal Funds eased between 9⅛ and 9¼ as the banking settlement day unwound itself.

KEY MARKET MONITORS



STOCK MARKET INDICES			
NEW YORK	Oct 26	Previous	Year ago
DJ Industrials	1243.80	1252.44	1006.07
DJ Transport	580.25	590.57	419.96
DJ Utilities	140.22	139.6	119.32
S&P Composite	165.38	166.47	134.48
LONDON			
FT Ind Ord	690.0	689.0	602.6
FT-A All-share	431.66	430.95	373.14
FT-A 500	467.72	467.09	412.26
FT-A Ind	423.73	421.46	380.93
FT Gold mines	509.3	527.1	398.1
FT Govt secs	81.94	81.60	83.66
TOKYO			
Nikkei-Dow	9246.55	9232.77	7199.61
Tokyo SE	678.15	676.07	539.7
AUSTRALIA			
All Ord.	677.4	677.0	500.5
Metals & Mins.	500.0	503.0	398.5
AUSTRIA			
Credit Aktien	closed	54.35	47.45
BELGIUM			
Belgian SE	124.11	124.52	98.65
CANADA			
Toronto Composite	2384.5	2416.1	1749.3
Montreal Industrials	422.37	429.9	315.32
Combined	405.23	410.87	299.02
DENMARK			
Copenhagen SE	198.7	191.57	90.92
FRANCE			
CAC Gen	141.2	140.6	99.1
Ind. Tendance	149.6	148.7	117.2
WEST GERMANY			
FAZ-Aktien	340.08	343.06	232.42
Commerzbank	1009.2	1017.5	704.2
HONG KONG			
Hang Seng	797.85	772.92	753.76
ITALY			
Banca Comm.	185.92	184.61	166.11
NETHERLANDS			
ANP-CBS Gen	139.5	140.5	93.1
ANP-CBS Ind	113.9	114.6	71.8
NORWAY			
Oslo SE	207.59	208.2	102.65
SINGAPORE			
Straits Times	945.62	948.82	706.46
SOUTH AFRICA			
Golds	727.1	740.7	713.7
Industrials	901.6	904.0	690.2
SPAIN			
Madrid SE	122.41	121.89	100.6
SWEDEN			
J & P	1422.7	1402.64	710.13
SWITZERLAND			
Swiss Bank Ind	342.9	342.0	260.2
WORLD	Oct 25	Prev	Yr ago
Capital Int'l	179.9	179.2	142.6

GOLD (per ounce)	Oct 26	Prev
London	$388.125	$398.625
Frankfurt	$391.00	$398.25
Zürich	$393.50	$398.50
Paris (fixing)	$396.10	$398.21
Luxembourg (fixing)	$397.00	$397.40
New York (Oct)	$386.50	$397.50

* Indicates latest pre-close figure

CURRENCIES	U.S. DOLLAR		STERLING	
(London)	Oct 26	Previous	Oct 26	Previous
$	–	–	1.4965	1.499
DM	2.6195	2.6075	3.9225	3.91
Yen	232.8	232.5	348.5	348.75
FFr	7.98	7.955	11.94	11.9225
SwFr	2.1255	2.116	3.185	3.175
Guilder	2.9425	2.9275	4.405	4.39
Lira	1593.5	1584.75	2385	2375.0
BFr	53.3	53.16	79.75	79.7
C$	1.23275	1.23225	1.844	1.847

INTEREST RATES	Oct 26	Prev
Euro-currencies (three month offered rate)		
£	9⅝	9⅝
SwFr	4⁹⁄₁₆	4⁷⁄₁₆
DM	5⅞	5⅞
FFr	13⅛	13⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	9¹¹⁄₁₆	9⅝
6-month U.S.$	9¹³⁄₁₆	9⅞
U.S. Fed Funds	9¼	9⅛
U.S. 3-month CDs	9.25	9.30
U.S. 3-month T-bills	8.65	8.65

U.S BONDS		Oct 26		Prev	
Treasury		Price	Yield	Price	Yield
10½	1985	99²⁹⁄₃₂	10.58	99³⁰⁄₃₂	10.58
11½	1990	99²⁹⁄₃₂	11.56	99²⁷⁄₃₂	11.55
11⅞	1993	100²⁰⁄₃₂	11.69	101⁴⁄₃₂	11.65
12	2013	101²⁹⁄₃₂	11.76	102⁴⁄₃₂	11.72
Corporate		Oct 26		Prev	
AT & T		Price	Yield	Price	Yield
10⅜	June 1990	93¾*	11.75*	94	11.70
3⅞	July 1990	68⅜*	10.50*	68⅝	10.50
8¾	May 2000	76*	12.15*	76	12.15
Xerox					
10⅞	March 1993	92¼*	12.05*	92⅝	12.00
Diamond Shamrock					
10⅜	May 1993	90⅝*	12.30*	91	12.20
Federated Dept Stores					
10⅜	May 2013	87.132*	12.25*	85⅝	12.30
Abbot Lab					
11.80	Feb 2013	96.396*	12.25*	96.396	12.05
Alcoa					
12⅛	Dec 2012	96.16*	12.75*	96.16	12.75

FINANCIAL FUTURES	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	71–03	71–04	70–20	70–29
U.S. Treasury Bills (IMM) $1m points of 100%				
December	91.14	91.16	91.08	91.11
Certificates of Deposit (IMM) $1m points of 100%				
December	90.46	90.48	90.39	90.42
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.30	90.36	90.28	90.26
20-year Notional Gilt £50,000 32nds of 100%				
December	107–27	108–03	107–13	107–08

COMMODITIES (London)	Oct. 26	Prev
Silver (spot fixing)	633.20p	639.10p
Copper (cash)	£922.00	£949.50
Coffee (Nov)	£1894.00	£1896.50
Oil (spot Arabian light)	$28.65	$28.65

LONDON

Equities off in shadow of gilts

GOVERNMENT STOCKS overshadowed equities in London as the continuing prospect of lower inflation directed attention to the currently attractive yields on both short and longer maturities. The FT Industrial Ordinary index, up 3.8 at 10am, slipped back to finish the day 1 higher at 690.

Interest in blue-chip equities remained highly selective, although stock shortages exacerbated gains in stores.

Building societies, which provide domestic mortgage finance and other institutional sources committed funds generating early market interest, while the possibility of a 1 percentage point drop in mortgage rates continued to boost sentiment. *Details, Page 37; Share Information Service, Pages 38-39.*

HONG KONG

EXPECTATIONS of lower interest rates helped shares to stage a modest rally in Hong Kong. The Hang Seng index was higher at the opening and continued its upward trend to close up 24.93 at 797.85.

Speculation about lower interest rates followed the easing of local interbank deposit rates in the wake of a more stable local currency.

The market is now looking for an improvement in foreign buying demand to take the Hang Seng index through the 800 level.

Among properties, Cheung Kong added 25 cents to HK$6.35, Hongkong Land 3 cents to HK$2.30 and Sun Hung Kai Properties 10 cents to HK$4.05.

Elsewhere, Swire Pacific "A" jumped 40 cents to HK$14.80, Hutchison Whampoa 50 cents to HK$11.50, Hongkong and Shanghai Banking 10 cents to HK$6.90 ex-dividend and Hang Seng Bank HK$1.25 to HK$34.50.

SINGAPORE

SOME LATE bargain hunting helped to arrest an earlier decline in Singapore although all sectors ended marginally lower on the day, where traded.

The Straits Times Industrial index closed 3.20 lower at 945.62 on volume that had improved slightly to 6m shares from Wednesday's 4.9m – the lowest daily turnover this year.

Promet, the most actively traded share, ended 2 cents lower at S$4.10. Of the other actives, Cerebos shed 1 cent to S$1.93, while Pan Electric fell 2 cents to S$3.16.

AUSTRALIA

LATE DEMAND for heavyweight mining stocks enabled Sydney to close on a marginally firmer note. At the close, the All Ordinaries index was up 0.4 points at 677.4, having been 3 points down during the morning session.

The weak opening was attributed to Wall Street's overnight performance, further backtracking in base metal prices and the stagnant gold price.

SOUTH AFRICA

WIDE ranging losses in Johannesburg were fostered by a weaker bullion price although official data reveal a 2.9 per cent rise in domestic gold production to 16.43m ounces for the first nine months of the year.

Gold Fields suffered a R5 drop to R109 while losses elsewhere were less dramatic such as Anglo American Gold, 25 cents off at R122.75 and Free State Geduld 25 cents weaker at R43.75.

OK Bazaars incurred a belated R1 loss to R20 on trading results.

CANADA

SHARP REVERSALS in the resources sector hit Toronto by mid-session yesterday with large losses in oil and gold issues.

Dome Petroleum fell 30 cents to C$4.10 and Husky Oil dipped C$⅝ to C$9⅞. Dome Mines lost C$⅞ to C$15⅝ while Campbell Red Lake was C$1 lower at C$28⅜.

Industrials took the brunt of losses in Montreal, although banks and papers moved higher against the trend. Utilities were easier.

TOKYO

Demand for blue chips halts slide

IN THE face of the growing tension in the Middle East, shares rebounded slightly in late trading in Tokyo yesterday after the three consecutive days of decline, *writes Shigeo Nishiwaki of Jiji Press.*

However, prices changed little on the government bond market because of the uncertain outlook for U.S. interest rates.

The Nikkei-Dow Jones market average, which was down 7 on balance at one stage early in the afternoon, rallied to close the day 13.78 ahead at 9,246.55. But volume remained thin at 188.86m shares against the previous day's 192.49m.

A growing number of bearish factors at home and abroad kept investors on the sidelines. After the three-day decline, however, investors sought some blue chips, and a leading investment trust management company bought quality issues, like Hitachi, Matsushita Electric Industrial and Mitsubishi Electric, in lots of 100,000 shares toward the close to assist the late rally.

Purchases by the mutual fund pushed Matsushita Electric Industrial up Y30 to Y1,690, Hitachi Y8 to Y865 and Mitsubishi Electric Y4 to Y418. Among other quality issues to gain were Fuji Photo Film, Y10 up at Y2,020, NEC Y10 ahead at Y1,280 and Pioneer Electronic up Y80 to Y2,860.

Elsewhere, foreign buying pushed Nippon Steel up Y4 to Y166 and Japan Synthetic Rubber Y11 to Y383. Most of the motor shares extended their advances on increased domestic demand with Toyo Kogyo adding Y2 to Y461 and Toyota Motor Y10 to Y1,250. But Honda Motor shed Y12 to Y998.

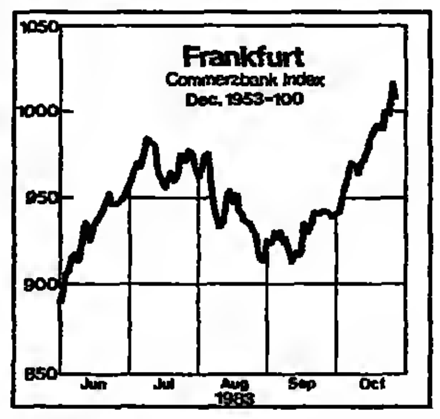
Buying interest revived in glutamic acid-related issues, which had suffered major setbacks Tuesday on the Japanese Cancer Association's announcement that glutamic acid, widely used as a raw material for seaspning in Japan, was carcinogenic.

Ajinomoto recouped fractionally more than half the loss of Y80 it had incurred on Tuesday, gaining Y49 to Y909. In addition, Asahi Chemical rebounded Y17 to Y362 and Takeda Chemical Y13 to Y770.

Trading in Maruzen Oil and Daikyo stocks was resumed, but they lost ground on the poor performance that had prompted the merger of their refinery areas into a new firm, with Maruzen Oil skidding Y21 to Y383 and Daikyo Oil Y14 to Y354.

Bond prices remained in the doldrums. Trust banks and financial institutions serving the agriculture and forestry sectors bought bonds in small lots over the counter. But buying interest generally remained depressed.

The yield of the benchmark 7.5 per cent long-term government bond maturing in January 1993 fell to 7.73 per cent from Tuesday's 7.75 per cent on heavy buying by securities firms, but rose to the previous day's level by the close.



EUROPE

Frankfurt profit-takers in spotlight

INSTITUTIONAL investors decided that the time was ripe to take some profits in Frankfurt yesterday after the two week rally that has taken the market to peak levels.

The Commerzbank index of 60 leading shares fell back 8.3 on the day to 1,009.2.

Steady selling developed in major blue-chip issues, particularly Daimler, Siemens and Allianz which had scored some of the largest gains in recent days. Daimler, which has added DM 100 in the last fortnight, fell back DM 14.20 to DM 678.

Insurance company Allianz, which has surged following its takeover bid for Eagle Star, fell back DM 7 to DM 753, following Eagle Star's formal rejection on Tuesday.

Steels were barely steady ahead of yesterday's cabinet meeting which agreed to increase its aid offer for the merger between the Thyssen and Krupp steel interests. Thyssen rose 10 pfg to DM 83.10 and Krupp was 10 pfg easier at DM 75.

Veba, the energy concern and West Germany's largest industrial company, fell sharply after hours on the news of the Bonn Government's plans to sell a 13.75 per cent stake. Veba ended the official trading session down DM 3.10 at DM 172.20 but was later quoted lower still at DM 167.

Tensions abroad seemed to have little effect on the West German market and there was a view that yesterday's adjustment could pave the way for a continuation of the upward trend.

Very little demand for shares was reported in **Amsterdam** amid renewed signs that the market may be consolidating in the lull before the next wave of company earnings reports due in November.

The ANP-CBS general index ended down 1 at 139.5. Internationals were mostly lower, with the exception of Unilever which rose on foreign demand by 30 cents to Fl 235. Philips shed 90 cents to Fl 45.6 and Royal Dutch Fl 1.6 to Fl 129.20.

Shares were lower in quiet trading in **Brussels**. Petrofina, the country's major oil company, lost BFr 10 to BFr 5,490 after Tuesday's rise, while Cobepa proved an exception in the declining holding company sector rising BFr 55 to BFr 2,645.

Elsewhere in Europe, a firmer tone emerged in sometimes active trade.

In **Zurich**, shares were higher when a number of foreign institutions returned as buyers after an absence of several days.

Technical adjustments helped **Paris** higher following Monday's start to a new trading account.

In **Stockholm**, shares ended higher on reduced turnover after the Government announced new measures to cut the budget deficit, which contained few unpleasant surprises for investors.

Madrid also firmed in fairly active trading while **Milan** ended mixed to firmer, buoyed by selective buying

Prices at 3pm, October 26

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17⅛	7⅜	AAR	.44	3.1	18	19	14⅛	14	14⅛	−⅛
52⅛	29½	ACF	1.40	2.8	64	223	49¾	49⅝	49⅝	+⅛
20	14⅛	AMF	.50	2.6		955	18¼	17½	18	+½
38¼	16½	AMR Cp			14	2127	32½	31⅝	31¾	−⅞
18	15	AMR	pf2.18	12		24	18⅜	18⅜	18⅜	
39⅞	24⅞	AMR	pf2.13	5.8		42	35¾	35⅛	35¾	
15¾	2⅞	APL			27	7	13⅛	13	13	−⅛
55	31¼	ARA	2.05	4.2	12	45	48½	49	48¾	+⅛
79⅞	49	ASA	3a	5.6		236	55¼	53½	53⅝	−2½
33¼	11¼	AVX	s .32	1.4	34	455	24¼	22⅞	22⅞	−1⅛
53⅞	34⅛	AbtLab	1	1.8	19	1151	51¼	51¼	51½	
30⅞	23¼	AccoW	s .50	2.8	16	21	24⅞	24⅛	24⅞	+⅛
27½	16¼	AcmeC	.40	1.8		7	22½	22½	22½	
14⅞	7⅜	AcmeE	.32b	2.8	63	41	11½	11⅛	11⅛	−⅛
24⅞	8	AdmDg	.04	.2	17	13	20½	20⅛	20⅜	+⅛
17⅞	14⅞	AdaEx	1.73e	9.8		42	17⅞	17⅞	17⅞	
19⅞	7⅛	AdmMl	.24	1.7	7	38	14⅛	14	14⅛	+⅛
18⅝	8⅛	Advest	s .12	1.0	7	51	12¼	12⅛	12⅛	+⅛
34⅞	10⅞	AMD	s		54	980	31⅞	31⅛	31⅛	+⅛
24⅝	12⅞	Aerflx	s		15	87	15⅞	15	15⅛	−⅛
44⅞	32⅞	AetnLf	2.64	7.4	7	1445	36	35⅞	35⅞	+⅛
65	55½	AetL	pf5.18e	9.3		435	55⅞	55½	55⅝	+⅛
40½	17⅞	Ahmns	.60	2.1	18	52	28⅝	28½	28½	−½
7⅜	2⅞	Aileen				112	4⅛	4⅛	4⅛	
51	31	AirPrd	1	2.3	12	631	44⅞	44	44⅛	
27¼	13⅞	AirbFrt	.60	2.4	25	250	25½	24½	25⅜	+1⅛
2½	1⅛	AlMoa	s		18	241	2	1⅞	2	
33½	28¼	AlaP	plA3.92	13.		16	31	31	31	
7⅞	6½	AlaP	dpf.87	12		13	7⅛	7½	7⅛	
99	84	AlaP	pf 11	11.		z1100	97¼	97¼	97¼	+¼
81½	68½	AlaP	pf9.44	13		z730	74	72½	74	+1
70	57	AlaP	pf8.28	13.		z160	63	63	63	−¼
24½	15⅞	Alagsco	1.76	8.2	7	7	21⅛	21⅛	21⅛	−¼
18⅝	8⅛	AlskAir	.12	.8	11	28	14⅞	14⅞	14⅞	

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
151	9½	BkIU	pf 52k			135	10	d7½	7½	−2½
39⅞	22⅞	BallCp	1.16	3.4	18	25	34½	34⅛	34⅛	−⅛
31⅝	19⅞	BallyM	.20	.9	18	x567	22	21⅛	21⅛	+⅛
26⅞	8⅛	BallyPk			23	159	15⅞	14⅞	15⅛	+⅞
32½	26⅝	BaltGE	.9	9.2	9	464	u32⅝	32⅞	32⅞	+⅛
43	30	Balt	pfB4.50	12		z20	39	39	39	
30½	28⅛	BnOne	s .96	3.1	12	41	30½	30⅛	30½	
47½	18½	BanCal	1.20	2.7	6	17	45⅛	45⅛	45⅛	
7⅞	5½	BanTex	.20	3.3	44	173	6⅛	6	6⅛	+⅛
58	33½	Bandag	1	1.6	13	80	55	54½	55	+⅛
23⅞	14⅞	BangP	.80	4.1		55	19⅞	19⅞	19⅞	+½

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, October 26

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22 1/8	5 3/4	AAV	.32	1.9	13	16	17	16 1/4	16 7/8	-1/8
6 1/4	2 1/8	ATI				116	2 1/2	2 3/8	2 3/8	+1/8
12 1/4	2 1/8	AcmePr			6	21	6	5 7/8	5 3/4	-1/8
19 1/2	11 7/8	AcmU	s .32	2.6	18	26	12 1/4	12 1/4	12 1/4	-1/2
14 1/2	2 1/8	Acton	s		8	79	12 5/8	12 3/8	12 3/8	-1/2
12	6 1/4	Acton s		11	10	32	82	6 5/8	6 1/4	6 1/4
6 1/4	1 1/2	Actn	wt			14	3	2 3/4	3	+1/8
8	1 1/4	AdmRs				34	4 1/8	3 7/8	4	
30 7/8	17 3/8	AdRusl	s.10	5	14	155	22 1/2	22 1/8	22 1/8	-1/8
28 7/8	14 1/4	Adobe	.24	1.1	14	7	21	20 3/4	21	
6 1/4	2	AngleCp			10	35	4 1/4	4	4 1/4	+1/8
7	4	Aeronca			7	37	4 1/4	4	4 1/8	-1/8
32 1/2	13 1/2	AffHsp	.36	1.5	10	2	23 5/8	23 1/2	23 1/2	-1/4
17 1/2	4 3/8	AftSix			9	56	11 5/8	11 3/8	11 1/4	-1/8
15 1/2	5 7/8	AirExp				29	6 5/8	6 1/2	6 5/8	-1/8
6 1/8	4 3/8	Alamc	n		11	13	6 1/8	5 1/8	5 1/8	
12 1/4	3	AlnTr	n			3	5 5/8	5 5/8	5 5/8	-1/8
10 1/2	5 1/2	AlohaA				8	6	5 7/8	6	
28 1/4	15 1/4	Alpinel	n .05	.2	28	35	20 5/8	19 7/8	20 5/8	+7/8
1 7/8	1/4	Altec	v			123	1/8	1/2	1/2	
2 7/8	1 1/8	Altex				147	2 1/8	1 7/8	2	
11-16	1-16	Altex	wt			7	1/4	1/4	1/4	
37	28 1/2	Alcoa	pf3.75	11.		z50	33 3/4	33 1/4	33 3/4	+1/2
[illegible]										

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
28 1/4	21 1/4	WacPS	2.32	8.1	8	50	28 1/2	28 1/4	28 1/8	-1/4
34 1/4	17	Wlnco	s1.32	4.1	12	314	32 1/4	32 1/4	32 1/2	-1/2
28 1/4	14 1/4	WolvrW	.48	3.1	9	133	15 1/4	15 1/4	15 1/4	-1/2
43 7/8	21 1/4	Wometl	s.44	1.0	25	356	42	42	42	+1/4
29 1/2	18 1/4	WoodPt	.60	2.4	15	44	25 1/4	24 5/8	24 5/8	-1/8
39 5/8	22 7/8	Wolwth	1.50	4.9	12	s1731	37 1/2	36 7/8	36 7/8	-1/2
7 1/8	1 1/4	WrldAr				92	5 1/4	5 1/4	5 1/2	-1/8
56 1/4	38 1/4	Wrigly	1.44a	2.8	10	30	52	52	52	+1/8
8 1/8	6 1/8	Wurltzr				10	7 1/2	7 1/8	7 1/8	-1/8

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-when distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 35

NEW YORK PRICES

Continued from Page 35

DENMARK

Oct. 26	Price Kr. %	+ or —
Aarhus Olie	470	....
Andelsbanken	290	—5
Baltica Skand.	345	+5
CopHandelsbank	271	—3
D. Sukkerfab.	761	+4
Danske Bank	298	—2
East Asiatic	165	—19
Forende Brygg.	1,290	....
Forende Damp.	178	....
GNT Hldg.	527	—13
I.S.S.B.	750	+50
Jyske Bank	639	—15
Novo Ind.	3,235	....
Privatbanken	296	—1
Provinsbanken	321	....
Smidth (Fl)	262	—2
Sophus Berend	295	+45
Superfos	435	—5

FRANCE

Oct. 26	Price Frs.	+ or —
Emprunt 4½% 1973	1,922	+2
Emprunt 7% 1973	0,599	+29
CNE 3%	3,040	+10
Air Liquide	498	—5.6
BIC	657	+2
Bouygues	703	+2
BSN Gervais	2,310	—10
CIT-Alcatel	1,380	+40

NETHERLANDS

AUSTRALIA

JAPAN (continued)

CANADA

NORWAY

SPAIN

GERMANY

SWEDEN

HONG KONG

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

	Oct 26	Oct 25	Oct 24	Oct 21	1983 High	1983 Low
Industrials	422.37	429.9	430.45	436.71	493.00(5/5)	329.12(4/1)
Combined	405.23	410.87	411.44	412.29	441.29(26/8)	318.45(5/5)
TORONTO Composite	2384.5	2416.1	2422.3	2425.2	2598.2(26/8)	1949.8(4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

(**) Saturday Oct. 22: Japan Nikkei-Dow 9318.98 TSE 690.98.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Gilts attract institutional funds but leading shares struggle to hold early gains

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21
Nov 14	Nov 24	Nov 25	Dec 5

*" New-time " dealings may take place from 9.30 am two business days earlier.

Government Stocks overshadowed London equities as the continuing prospect of lower inflation drew attention to the attractive yields currently offered by both short and longer-dated maturities. Building Societies and other institutional sources committed funds, generating considerable early interest to markets still underpinned by official views on inflation and Government's spending next year.

The strong possibility of a 1 per cent cut in mortgage rates was another boost to sentiment and longer-dated gilts were soon showing fresh rises, some ranging to a full point. But at the higher levels demand faltered and quotations drifted away from the highest to close around ¼ up on balance. Shorter maturities performed particularly well with persistent support prompting gains stretching to ½ throughout the list. The FT Government Securities index staged its biggest advance for over a month to close 0.34 higher at 81.94.

It was hoped that the brighter tone in Government stocks would continue as funds emanating from large dividend payments, due over the next fortnight or so, are re-invested.

The feature elsewhere was the strength of the Property and Store sectors. The former was given an early fillip by favourable comment in the FT Lex column and later by the announcement that Allnatt London, Guildhall Property and Slough Estates were engaged in merger discussions. Stock shortages exacerbated the gains in Stores, but dealers still reported a good trade encouraged by hopes that seasonal consumer spending will be bolstered by a cut in mortgage rates.

Interest in blue chip equities remained highly selective with the international political situation still stifling investment enterprise. ICI, which attracted good U.S. buying late on Tuesday, continued to meet with a good business in front of today's third-quarter figures; these are expected to be very favourable. London Brick returned to prominence late on revived bid speculation.

Other leading equities drifted back from enhanced opening levels, which mirrored Wall Street's overnight trend, to close well below the best. The FT Industrial Ordinary share index was 3.8 up at 10 am, but it slipped back to finish only 1 point higher on the day at 690.0.

Eagle Star lower

In the Insurance sector Eagle Star drifted off to close 12 lower at 520p awaiting the defence document. Other Composites finished with small irregular movements. Life issues usually lost a few pence as buyers remained inactive. After Tuesday's gain of 7, Lloyds broker Hogg Robinson encountered a lively two-way business, but closed 5 down at 125p.

First National Finance provided a firm feature in an otherwise lifeless banking sector, gaining 4 to 64p on revived take-over hopes.

London Brick apart, which gained 5 to 103p on revived hopes of a bid, leading Buildings moved narrowly in thin two-way trading. Elsewhere, Burnett and Hallamshire continued to trade nervously in the wake of a reappraisal of the company's trading prospects and slipped to a 1983 low of 180p before closing without alteration at 190p. The appearance of a sizeable seller left F.J.C. Lilley 4 lower at a low for the year of 84p, but Roberts Adlard, largely reflecting the efforts of one buyer in a restricted market, gained 15 to a year's high of 165p. Wettern Brothers gained 5 to 75p on news that RMC had increased its stake to 29.37 per cent, while Taylor Woodrow rose 10 to 525p after Norwich Union Insurance disclosure of a 6 per cent holding in the company. Henderson Group hardened 3 to 170p following the good interim figures and Board's confident statement, but Helical Bar eased a couple of pence to 83p mirroring poor half-year results. Timber issues took a distinct turn for the better, Magnet and Southerns rising 10 to 152p and Meyer International gaining 5 to 141p.

ICI moved within fairly narrow limits before closing 8 cheaper on balance at 568p, awaiting today's third-quarter results. Among other Chemicals, Amersham International encountered revived support and firmed 5 to 238p, while Laporte rose 6 to 286p.

Stores continued to respond to hopes of increased consumer spending in the important pre-Christmas period. Sentiment was also aided by talk of broker's upgraded profit forecasts for the sector and double-figure gains were commonplace, although often accentuated by stock shortages. Gussies A, 560p, and Burton, 343p, advanced 15 apiece, while Habitat-Mothercare closed 12 better at 276p. Sears, 83p, and Debenhams, 132p, both added 4, the latter still buoyed by the prospect of the flotation of its credit arm Welbeck Finance. Marks and Spencer, however, failed to participate in the advance and closed only a penny dearer at 203p; the interim results are due next Wednesday.

Secondary issues, relatively subdued on Tuesday, made good progress under the lead of Comet, 17 up at 290p, after 293p. Home Charm improved 9 to 115p and Harris Queensway 8 to 284p. Among mail-orders Grattan were again wanted and rose 4 to 52p. Buyers also showed renewed interest for newsagents and W.H. Smith A went 6 higher to 130p. Similar gains were noted — Martin, 155p, NSS, 96p, and John Menzies, 288p. Recent support for Foster Brothers Clothing appeared to be justified when the company revealed an 87 per cent upturn in first-half profits which brought a close of 5 higher at 91p. Rowland Gaunt, on the other hand, were marked down 15 to 150p owing to the continuing full-year deficit.

Cable and Wireless down

Leading Electricals again traded on a relatively quiet note. News of the acceleration of British Telecom's system X programme helped sentiment in GEC, 3 up at 188p, and Plessey, a similar amount dearer at 200p. Cable and Wireless remained an unsettled market and closed 8 lower at 265p, after 253p, following unconfirmed reports that a 100m sale of Government held shares, by way of a placing, was imminent. Arlen improved 12 to 180p in the wake of a trade seminar yesterday, while high technology stocks to make progress included Micro Focus, 10 up at 570p, CASE, 8 higher at 358p, and Scan Data, 5 better at 100p. Security Tag rallied 10 further to 385p.

Birmid Qualcast stood out among secondary Engineerings, with a rise of 4 to 49p, after 50p, following a flurry of speculative buying. Carclo continued firmly, adding 4 more for a two-day jump of 13 to 90p, while Desoutter advanced 4 to 89p in a thin market. Tecalemit held at the overnight level of 45p; the offer by Siebe Gorman has been extended until November 9. Haden drifted 5 down to a new low for the year of 190p and ML Holdings sustained a similar fall at 252p. The leaders remained neglected and drifted lower for want of support. TI cheapened 4 to 134p and GKN softened 2 to 161p, while Hawker and Vickers were both a penny easier at 269p and 106p respectively.

Spending hopes prompted higher opening levels for Food Retailers and most held the gains. Associated Dairies finished 4 dearer at 168p underpinned by the chairman's cheerful statement at the annual meeting, while Tesco firmed 5 to 167p. J. Sainsbury hardened 4 to 412p, as did Bejam, to 148p. Against the trend, recently-firm Dee Corporation eased 4 to 324p. Elsewhere, Avana rose 5 to 492p following the good mid-term results.

Sunlight down

Early interest in Miscellaneous Industrial leaders soon fizzled out and most quotations closed a shade lower on the day. Elsewhere, Sunlight Services closed 10 down at 220p; Brengreen announced late yesterday that its offer for the company had lapsed. Highgate Optical eased 4 to 128p following news of the boardroom changes, while British Aerospace, 5 cheaper at 185p, were unsettled by a report that an order for BAe 146 aircraft had been deferred. UKO, up to 91p at one stage on further speculative demand, later reverted to the overnight level of 88p. Garford-Lilley Industries were temporarily suspended at 56p; details of the proposed merger with William Holdings were announced late yesterday. Applied Computers were dull at 338p, down 7, but Dominion International stood out with a gain of 7 to 125p, Morgan Grampian firmed 4 to a new peak for the year of 121p and Metal Closures edged up a couple of pence more to 118p. Hong Kong stocks made progress, Hutchison Whampoa improving 4 to 9p and Jardine proving 4 to 99p and Jardine

Boosey and Hawkes equalled its 1983 peak of 178p following news of the return to profitability, but at the close were only 3 dearer on balance at 173p. Elsewhere in the Leisure sector, Juliana's still reflecting the acquisition of Raffles discotheque, advanced 20 to 335p.

Motor Distributors were featured by a brisk trade in Lex Service, which having been friendless of late, responded to revived investment support and advanced 10 to 317p; the new nil-paid closed 7 up at 40p premium, after 42p premium. Among Components, Kwik-Fit continued to meet profit-taking in the wake of the interim figures and gave up 4 more at 48p. Coachbuilders Coleman Milne held at 50p; British Car Auction, a penny lower at 198p, now holds just over 5 per cent of the equity.

Press comment, and the announcement of a three-way merger discussion involving one of the sector's larger companies, breathed fresh life into Properties. Renewed institutional buying lifted Land Securities 8 to 318p and MEPC 6 to 226p. Hammerson A rose 20 to 755p and Stock Conversion 10 to 278p. Peachey gained 6 to a 1983 peak of 171p in the wake of its results, while Samuel put on 4 for a two-day gain of 9 to 125p reflecting the increased annual profits and property revaluation. The announcement that discussions were in progress between Slough Estates, Allnatt (London) and Guildhall Property, which could lead to a merger of the companies, left Slough 3 cheaper at 106p, after 114p, but Allnatt 18 up at 220p and Guildhall 13 higher at 133p, after 145p. Elsewhere, Laing Properties, 212p, and Daejan, 161p, both firmed 6, while Regalian gained 4 to 78p. The increased annual profits and net asset value increase made no impression on Fairview Estates, which held at 123p.

Textiles remained undecided. David Dixon declined 10 to 88p following the sizeable loss and omitted final dividend, but Textured Jersey responded to fresh speculative support and advanced 6 to 70p, after 72p.

Tobaccos featured Bats which, in receipt of favourable comment, rallied 6 to 146p.

Oil shares turned distinctly easier, with quotations drifting lower on occasional offerings and lack of support. BP, 420p, and Shell, 550p, lost 8 apiece, while Lasmo were also noteworthy for a fall of 9 to 268p. Britoil gave up 6 to 214p and Ultramar were 10 lower at 605p. Among the exploration stocks, Sun (UK) Royalty weakened 10 more to 300p.

Gill and Duffus attracted a lively trade following the increased interim dividend and encouraging full-year profits forecast and touched 178p before settling 2 up on balance at 17p. Elsewhere in Overseas Traders, Tozer Kemsley and Millbourn were initially depressed by reports that the refinancing proposals had hit difficulties and dipped to 20p; scattered support developed at this level, however, and with the aid of call option activity TKM recovered to close a net penny up on balance at 23p.

Golds sharply lower

The lack of interest in markets for bullion and base-metals, which again drooped in price, caused a withdrawal of the traditional Johannesburg support for Gold shares and this in turn prompted a substantial and widespread retreat throughout the major sectors of the mining market.

The selling pressure in Golds gathered pace in the afternoon with the appearance of American offerings and share prices retreated across the board to close with heavy losses.

The Gold Mines index dropped 17.8 to 509.3—its lowest level since December last year. Bullion closed $10.5 off at $388.125.

Marginals were hardest hit with Durban Deep £1⅛ off at a 1983 low of £14¼, and East Rand Property 51 cheaper at a low of 883p. West Rand Consolidated fell 20 to 454p, and Loraine 18 to 336p.

Among the top quality issues losses of a point and more were common to Randfontein, £74¼, Hartebeest, £41, Western Deep, £31¾ and Western Holdings, £30.

South African Financials gave ground in line with Golds, Gold Fields of South Africa dipping a further £1¼ to £65¼ and De Beers losing 6 more at 512p.

London Financials continued to hold fast despite the continued weakness in base-metal prices, especially copper, which fell to a 10 month low on the London Metal Exchange yesterday. RTZ, widely considered the stock most vulnerable to trends in copper prices, edged up 3 more to 583p, amid talk of a continuing bear squeeze, while Gold Fields held at 485p.

Australians were highlighted by the marked weakness in Peko-Wallsend which dropped 32 to 370p reflecting fears of growing opposition "down-under" to uranium mining; Peko is a major participant in the Ranger uranium mine in the Northern Territory.

Weak golds showed Central Norseman 10 lower at 413p and Gold Mines of Kalgoorlie 12 down at 558p while among the leaders CRA closed 6 off at 318p and MIM Holdings 2 easier at 215p, after 219p. Poseidon gave up 7 to 261p.

Expiry of the popular October series gave a substantial boost to activity in Traded Options. Total contracts amounted to 4,879, the highest since late July. Business was evenly distributed among those in issue with selected October premiums showing sizeable gains. British Petroleum attracted 780 calls, 394 in the October 420's, and 242 puts, while ICI, third-quarter figures expected today, recorded 414 calls. Despite the relative strength of the underlying share price, a lively trade developed in Land Securities puts where 241 contracts were transacted, the January 300's and April 300's accounting for 130 and 100 trades respectively.

FINANCIAL TIMES STOCK INDICES

	Oct. 26	Oct. 25	Oct. 24	Oct. 21	Oct. 20	Oct. 19	year ago
Government Secs.	81.94	81.60	81.43	81.50	81.38	81.19	83.66
Fixed Interest	85.12	84.82	84.90	84.96	84.56	84.50	84.72
Industrial Ord.	690.0	689.0	685.3	689.2	691.0	678.4	602.5
Gold Mines	509.3	527.1	520.8	518.0	510.0	521.0	598.1
Ord. Div. Yield	4.92	4.92	4.94	4.93	4.91	4.99	4.79
Earnings, Yld.% (full)	9.75	9.75	9.81	9.77	9.75	9.90	10.63
P/E Ratio (net) (*)	12.80	12.80	12.73	12.72	12.81	12.65	11.53
Total bargains	17,901	18,015	17,402	17,083	15,886	21,166	21,190
Equity turnover £m.	—	159.75	121.40	182.33	179.88	210.09	153.28
Equity bargains	—	12,512	15,633	15,866	15,211	15,022	19,820
Shares traded (ml)	—	2.50	84.7	110.8	106.0	131.2	94.4

10 am 692.6. 11 am 691.0. Noon 690.4. 1 pm 690.1. 2 pm 690.4. 3 pm 690.1.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.04.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (13/6)	77.09 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	85.15 (26/10)	79.05 (1/8)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	509.3 (26/10)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 25	Oct. 24
—Daily Gilt Edged Bargains	141.8	142.7
Equities Bargains	85.0	89.2
Value	522.9	245.4
5-day Avrge Gilt-Edged Bargains	142.6	146.4
Equities Bargains	21.7	25.5
Value	345.0	344.0

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20
Nov 21	Dec 2	Feb 23	Mar 5

For rate indications see end of Share Information Service

Stocks favoured for the call included First National Finance, Bolton Textile, Inter-City, ICL, Argyle Trust, Charter Cons., UKO, Montfort, Jefferson Smurfit, John Brown Premier Oil, London and Liverpool, Exco International Tozer Kemsley and Millburn, Combined Technologies and Security Tag. Puts were done in Land Securities, Bio-Isolates and London and Liverpool, while doubles were taken out in Lasmo and Metal Sciences.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Avana	492	+ 5
Burton	343	+15
Cable & Wireless	265	− 8
Driefontein Cons.	£19¾	− ¾
Foster Bros.	91	+ 5
Free State Geduld	£25	− 1⅛
Gill & Duffus	174	+ 2
Hogg Robinson	125	− 5
ICI	568	− 8
Land Secs.	318	+ 8
Lex Service	317	+10
Slough Estates	106	− 3

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Burnett & Hal.	17	190	−35
Cable & W'less	15	273	−12
Eagle Star	11	532	+ 5
Sunlight Srv.	11	230	−27
T. Hotspur New	11	91½	+ 4
Marks & Spncr.	10	202	+ 5
W. Mng. Opt.†	10	97	− 3
BTR	9	525	+ 4
Beecham	9	305	+ 3
BP	9	438	+ 4
Glaxo	6	735	—
IMI	2	56	+ 5
Ultramar	2	615	—
Unilever	2	835	+10

† Nil paid.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Oct 26 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Oct 25 Index No.	Mon Oct 24 Index No.	Fri Oct 21 Index No.	Thurs Oct 20 Index No.	Year ago (approx) Index No.
1–59	[illegible]										
62	Banks (6)	[illegible]	−0.9	[illegible]	7.43	[illegible]	[illegible]	325.75	[illegible]	[illegible]	[illegible]
63	Discount Houses (8)	298.54	+0.2	—	9.09	—	298.05	297.19	297.52	295.72	304.51
65	Insurance (Life) (9)	437.80	−0.3	—	5.14	—	[illegible]	440.14	443.00	454.54	330.85
66	Insurance (Composite) (10)	220.94	−0.4	—	6.95	—	221.86	220.78	220.14	226.02	175.36
67	Insurance Brokers (7)	568.29	−0.3	11.95	5.11	11.47	570.12	564.77	568.54	564.50	564.27
68	Merchant Banks (12)	185.21	−0.4	—	5.82	—	185.88	186.12	186.86	185.32	158.87
69	Property (54)	475.34	+2.2	6.11	5.97	21.04	464.90	463.13	464.58	459.22	398.47
70	Other Financial (18)	226.15	+0.5	12.32	5.96	9.77	224.96	223.42	227.18	227.86	188.83
71	Investment Trusts (108)	427.18	+0.7	—	4.18	—	424.27	425.90	427.39	425.37	335.35
81	Mining Finance (4)	275.57	+0.3	10.86	5.30	12.17	274.66	273.58	273.32	271.45	213.95
91	Overseas Traders (14)	465.83	+0.1	7.99	8.16	19.22	465.38	465.82	469.91	472.97	383.98
99	ALL-SHARE INDEX (750) ●	431.68	+0.2	—	4.98	—	430.91	428.85	430.95	432.85	373.14

FIXED INTEREST

	PRICE INDICES	Wed Oct 26	Day's change %	Tues Oct 25	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.00	+0.19	116.78	—	9.87
2	5-15 years	130.73	+0.45	130.14	—	11.74
3	Over 15 years	139.90	+0.58	139.09	—	12.19
4	Irredeemables	148.83	+0.44	148.16	—	13.94
5	All Stocks	129.06	+0.40	128.54	—	11.27
6	Debentures and Loans	105.30	+0.31	104.97	—	9.04
7	Preference	78.39	+0.01	78.39	—	5.97

	AVERAGE GROSS REDEMPTION YIELDS		Wed Oct 26	Tues Oct 25	Year ago (approx)
	British Government				
1	Low Coupons	5 years	9.79	9.81	8.23
2		15 years	10.83	10.18	9.58
3		25 years	9.85	9.87	9.77
4	Medium Coupons	5 years	11.00	11.09	10.45
5		15 years	10.92	10.99	10.57
6		25 years	10.26	10.34	10.22
7	High Coupons	5 years	11.12	11.20	10.44
8		15 years	10.99	11.06	10.80
9		25 years	10.37	10.42	10.57
10	Irredeemables †		9.77	9.81	9.30
11	Debs & Loans	5 years	11.76	11.85	11.42
12		15 years	11.89	11.93	11.58
13		25 years	11.91	11.94	11.67
14	Preference †		12.54	12.54	12.43

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.
● Corrected figures for 24/10/1983 and 25/10/1983

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	10	7	6	18.50	4	50	$392.75
GOLD C	$425	25	1.50	28	10	4	17.50	"
GOLD C	$450	2	0.50	15	5 A	—	—	"
GOLD P	$375	—	—	4	5.50 B	—	—	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 11,664

A=Ask B=Bid C=Call P=Put

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock
[illegible]					
275	Nil	— 11/11	42pm	30pm	Lex Service
190	Nil	7/11 2/12	19pm	7pm	MFI Furniture
50	F.P.	— 7/11	68	62	‡‡Marinex Pe[illegible]
52	F.P.	— 25/11	46	40½	Munton Bros.
11	F.P.	— 25/11	43	15	✠Parkfield [illegible]
120	F.P.	— 11/11	152	122	Pritchard Se[illegible]
2½	Nil	— 2/12	2½pm	5½pm	✠Sampang [illegible]
310	F.P.	— 11/11	340	325	Utd. Newspa[illegible]
‖	Nil	— —	108	93	Western Min[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a " rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. † Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✠ Unlisted Securities Market.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (31)

BRITISH FUNDS (4)
Exchqr. 3pc 1984 Treas. 10½pc 1989
Treas. 3pc 1985 Treas. 8½pc '87-90
INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
Sweden 13½pc Ln. '19
CORPORATION LOANS (2)
Herts. 6¼pc '85-87 LCC 6¾pc 1988-90
COM'WEALTH & AFRICAN LOANS (1)
Aust. 6pc 1981-83
LOANS (1)
Met. Water 3pc B
FOREIGN BONDS (1)
Hydro Quebec 15pc Ln. 2011
BANKS (1)
Schn. Bus. Leasing
BUILDINGS (1)
Roberts Adlard
ENGINEERING (2)
Carclo Eng. Meggitt
FOODS (1)
Fisher (A.)
INDUSTRIALS (4)
Continental Group Morgan Crucible
Elbief Williams (J.)
INSURANCE (1)
Trade Indemnity
LEISURE (2)
Grampian TV A HTV N-V
PAPER (1)
Cropper (James)
PROPERTY (5)
Allnatt London Peachey Prop.
Ests. Prop. Inv. Sheraton Secs.
Hammerson A
SHOES (1)
Stylo
TEXTILES (1)
Sirdar
TRUSTS (1)
Akroyd & Smithers

NEW LOWS (38)

AMERICANS (1)
Amer. Medical Intl.
BUILDINGS (2)
Lafarge-Coppee Lilley (F. J. C.)
STORES (3)
Bakers Hshld Stores Mellins
Goldberg (A.)
ELECTRICALS (2)
Bowthorpe Resource Tech.
ENGINEERING (2)
Naden Redman Heenan
FOODS (2)
Home Farm Prod. Nurdin & Peacock
HOTELS (1)
Midsummer Invs.
INDUSTRIALS (2)
Russell (A.) Scotcros
LEISURE (1)
Horizon Travel
PROPERTY (1)
York Mount
TRUSTS (2)
Haw Par Utd. Comp. & Tech.
MINES (19)
Durban Deep Venterspost
East Rand Prop. Zandpan
Randfontein Ests. Harmony
Grootvlei Loraine
Kinross President Steyn
Leslie Gold Fields S.A.
Marievale U.C. Invs.
South African Land MIM Hldgs.
Doornfontein Admiral Mines
Stilfontein

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	88	2	11
Corpns. Dom. and Foreign Bonds	31	1	41
Industrials	259	184	946
Financial and Props.	186	52	281
Oils	17	31	66
Plantations	—	5	15
Mines	67	23	78
Others	72	52	47
Totals	720	350	1,486

LONDON TRADED OPTIONS

[illegible]

Oct. 26. Total Contracts 4,879. Calls 3,563. Puts 1,316

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
21	9¼	Keep Trust 5p	10¼	.....	†0.15	—	‡	—
210	140	Kelsey Inds.	185	.....	8.0	1.7	6.2	12.7
155	110	Kershaw (A.) 5p	130	.....	†15.0	0.6	‡	(19.6)
80	39	Kleen-E-Ze Hldgs.	71	.....	3.0	0.5	6.0	—
101	52	L.C.P. Hlds.	86	−1	3.6	1.2	6.0	(11.4)
32	14	LDH Group	23	+1	—	—	—	—
132	93	L.R.C. Int. 10p	107	.....	h2.95	2.3	3.9	14.0
34	17	Lamont Hldgs. 10p	32	+1	†1.3	1.8	5.9	12.4
41	26	Lawtex	41	+1	—	—	—	♦
480	345	Lep Group 10p	460	.....	17.5	0.5	5.4	63.8
36	22	Lilleshall 10p	34	.....	d1.0	—	9.2	—
350	39	Lon. & Liv. 10p	46	+3	h2.75	3.5	8.5	4.1
135	97	London & Midl'd	109	.....	7.75	1.1	10.2	12.2
*110½	38	Lon. & Nthn. Grp.	67	−1	F4.2	2.0	9.2	9.2
40	23	‡Lon. Priv. Health	23	−½	—	—	—	11.5
65	46	Longton Inds.	56	.....	1.0	—	2.6	—
120	70	Low & Bonar 50p	106xd	−2	†5.0	2.8	6.7	(6.0)
48	32½	MCD Group	45	.....	u1.0	2.2	3.2	20.5
87	62	‡MMT Computing 5p	80	.....	b1.68	2.6	3.0	18.6
26	16	M.Y. Dart. 10p	21	.....	Z0.25	—	1.7	—
212	134	M'c'rthy Ph. 20p	146	.....	7.0	2.7	6.8	6.9
148	128	Macfarlane Gp.	136	+1	†3.52	2.1	3.7	16.6
46	33	Maclellan 20p	34	.....	d1.5	1.6	6.3	12.2
63	36	Macpherson (D.)	37	+1	4.2	0.6	16.2	(21.0)
56	91	Magnolia Group	54	.....	2.3	3.2	6.1	6.3
180	65	Man. Ship Can. £1	132	.....	3.5	6.8	3.9	4.0
77	48	Marley	73	.....	†2.5	0.5	4.8	(11.0)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

LEISURE

LEISURE—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
39	14½	G.R.A. Group 5p	38	+½	—	—	—	48.8
60	45	Grampian TV A 10p	60	+1	3.6	2.9	8.9	4.7
179	136	HTV Non-Vtg	174	+1	11.0	2.2	9.0	7.5
222	121	Horizon	121	−3	†3.6	5.7	4.2	5.3
162	91	Intasun 10p	140	.....	4.0	4.5	4.1	6.4
60	22	‡Intermedia Video 10p	31	.....	1.0	2.1	3.4	15.8
370	258	Juliana's Hldgs. 2p	335xd	+20	b4.9	2.4	2.1	24.5
179	139	LWT "A"	173	.....	11.08	1.1	9.1	13.9
*147	55	Leisuretime Int 10p	60	.....	g1.54	2.8	3.7	11.4
132	108	Magnt. Ag. M. 10p	110	+2	8.75	1.6	11.4	8.0
72	52	Medminster 10p	72	.....	4.4	♦	9.1	♦
170	110	Miles World Grp 10p	162	.....	b3.0	2.5	2.5	23.5
23	17½	‡Nationwide 5p	20½	.....	—	—	—	—
128	37	‡Nimslo Int 20c	37	.....	—	—	—	—
128	45½	Norton Opax. 10p	110	.....	t2.17	4.3	2.6	8.5
30	22½	‡Owners Abroad	26	.....	0.5	4.5	2.7	11.6
47	36	Photax (Lon.)	38	.....	—	—	—	—
153	90	‡Pineapple Dance St 10p	128	−2	ku0.5	2.1	1.7	31.6
340	217½	Pleasurama 5p	315	−5	t5.75	4.5	2.6	10.8
173	108	‡Radio City 'A' NV	125	.....	q5.6	1.6	6.5	13.3
209	138	Riley Leisure 10p	181	.....	†3.95	1.7	3.2	25.0
132	83	Saga Hols. 20p	93	.....	d3.73	—	5.7	—
515	345	Samuelson Grp £1	398	+3	ttd12.0	2.8	4.5	13.4
108	94	Scot. TV 'A' 10p	103xd	+1	7.35	2.2	10.2	6.3
68	28	‡SelecTV 10p	38	.....	—	—	—	—
24	15½	TSW 5p	22	+½	1.2	♦	8.2	♦
77	30	‡TVS N/Vtg 10p	75	.....	—	—	—	41.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17½	.....	—	—	—
52	32	Allstate Expln NL	38	.....	—	—	—
40	9	♥Australia Mng. NL	26½	.....	—	—	—
25	11	Balmoral Resources	16	.....	—	—	—
60	37	♥Black Hill Mins.	38	.....	—	—	—
85	51	♥Bond Corp.	64	.....	Q10c	♦	9.8
183	116	♥Bougainville 1 Kina	143	+1	m03.21	1.2	1.4
372	204	♥CRA 50c	318	−6	tQ3c	—	0.6
145	60	♥Carr Boyd 20c	68	.....	—	—	—
38	25	♥Central Kalgoorlie	35	.....	—	—	—
43	18	♥Central Pacific	24	.....	—	—	—
9	2¼	♥Cons Gold Mng Areas	3	.....	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

Miscellaneous

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

FT BANKING CONFERENCE

New shocks predicted as banks use more electronic systems

BY ALAN CANE

ELECTRONIC BANKING is becoming accepted more quickly than expected, blurring dramatically the line between banks and "near-banks."

This theme ran through the first day of a Financial Times conference, Banking and Electronic Technology, which opened in London yesterday.

M Louis-Noel Joly, conference chairman and director of the French electronic banking organisation, DGT, put it succinctly: "With these logic processing systems, we can expect new shocks for bankers. We are no longer being asked to finance other people's business risks, but to take the technological risks ourselves. We are moving on to a higher plane of investment."

Mr R. A. McBarnet, finance industry marketing manager for IBM (UK), analysing the possibilities for "cashless shopping" – electronic funds transfer at the point of sale (EFT/POS) – said he expected retailers would have a single device on their counter, a combination of electronic cash register and computer terminal.

This device would be operated by a conventional magnetic stripe card of the kind used in cash dispensers, but all transactions would be "on-line" – validated by the bank's computer at the time of the transaction.

IBM had developed a method of coding information to be transmitted from the point of sale to the bank which gave a high level of protection against crime.

The techniques used for EFT/POS would not be radical. Mr McBarnet said: "Electronic funds transfer at the point of sale is not the right application to take risks with."

The UK clearing banks are expected soon to make public their plans for EFT/POS.

M Jean-Claude Monestiez, chief of telecommunications technology at the French Ministry of Posts and Telecommunications, where experiments are being conducted with both magnetic stripe cards and "chip" cards with a built-in computer, warned that retailers would not accept a computer terminal and a cash register on their counters.

He said: "Among the disadvantages are the double entry of transaction total with increased risk of error, duplication of units and thus added unjustified costs and two sets of maintenance problems."

The French were developing a combined magnetic stripe and computer card, "carte mixte," for distribution in the later months of 1984.

M Monestier said: "The future of electronic payment in France, it seems, must pass through a period of transition where the two systems will coexist."

France is the only European country planning to use the chip card as a major part of its EFT/POS system.

Several speakers agreed that banks were now in the retail financial services business, compared with their traditional role as cheque clearers.

Mr David O'Connor, president of EFT Group Inc., in the U.S., said: "Participation will be universal.

"The key development in the U.S. in the past two years is the general recognition that what is occurring is not the development of automated teller machine (ATM) programmes or the development of electronic banking or even point-of-sale systems. What we are witnessing is the emergence of a universal payment system."

He announced an agreement between the EFT Group and Mobil Oil representing Mobil's first step in a new nationwide electronic payment system.

The system, which will eventually support 2,400 Mobil service stations in the U.S., "provides for immediate authorisation for all Mobil Oil credit cards but most significantly provides for access with bank debit cards for direct debit of deposit accounts in payment for gasoline and related purchases."

ATMs were beginning to take an established place in bank services, Mr Michael Heinz, of the Battelle Institute, told the conference, but their exact role was uncertain.

There were two distinct but opposite trends, he said, towards increasing the number of facilities available at a machine – and generally to be found off-site – and towards simple cash dispensers with far cheaper and quicker machines than in the past.

Mr Robert Barone, group vice-president of automatic banking systems for Diebold, the dominant ATM supplier in the U.S., argued that ATM's would eventually become the most significant part of retail delivery systems.

Operating costs for bank branches were escalating, and teller costs were the dominant factor in total operating costs for most retail services.

"It is evident that the teller cost segment represents the greatest opportunity for cost displacement," he said.

ATM and POS networks would become simply "financial services networks" and customers would access funds without regard to who owned the access device or where it was located.

Mr Stanley Smith, of BIS Software, and Mr Richard Warren, of Hogan System, representing the banking computer software industry, put forward powerful arguments in favour of packaged (ready-made) software.

Mr Smith, pointing out that banks still chiefly write their applications programs in-house, put forward three principal reasons – shared development costs, speed of installation and certainty, "the certainty that if one can see and try the software now, and it is offered on a short time scale, then one has a successful project ready made."

Mr Warren said the "new" banking software had to be easy to use, flexible, fully integrated and matched exactly to the customers' requirements.

"If banks applied the same risk analysis to building software that they do to lending money they would never build their own software," he said.

Legal and institutional obstacles to competition between banks and building societies should be stripped away, Mr Jeremy Mitchell, director of the National Consumer Council, told the conference.

Consumers had already benefited from this competition, he said, and would do so even more in the future if competition was encouraged rather than damped down.

"Consumers have welcomed the choice they have been given of getting a mortgage either from a bank or from a building society," said Mr Mitchell. "Our research points to consumers wanting building societies to offer them payment services like cheque books which have traditionally been the preserve of banks."

Pointing out that banks and building societies were subject to wholly different laws and regulations, he said: "If consumers are going to get maximum benefit from electronic banking, then existing barriers to competition need to be examined thoroughly to see if they are really necessary."

Banks had the advantage in payment of wages, he said, while pointing out that the interest rate cartel had in the past limited competition between the societies. It was good news to consumers that the situation was now changing.

He called on the Government to ensure that legal and regulatory frameworks allowed different financial institutions to compete on an equal footing and to ensure that the new banking technologies were available to all reputable, soundly based financial institutions.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	233.44		—	—
Managed Inv. Fd.	157.35	165.64	—	—
Property Fd.	151.07	159.03	—	—
Fixed Interest Fd.	147.34	154.89	—	—
Cash Fd.	135.95	143.11	—	—
Income Fd.	171.47	180.50	—	—
Extra Income Fd.	162.17	170.71	—	—
Worldwide Growth Fd.	231.62	243.82	—	—
Balanced Fd.	172.42	181.50	—	—
Smlr Co's & Recy. Fd	203.25	213.95	—	—
Int. Technology Fd	270.97	285.24	—	—
Nth. Amer. & Gen. Fd.	160.18	179.14	—	—
Energy Int. Fd.	107.69	113.36	—	—
Pacific Basin Fund	132.41	139.38	—	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.0	117.8	—	—
Property	106.2	112.0	—	—
Equity	112.3	118.2	—	—
International	128.5	135.2	—	—
Fixed Interest	101.6	106.9	—	—
Deposit	99.3	104.5	—	—
Managed Pen. Cap.	112.4	118.3	—	—
Property Pens. Cap.	106.2	111.7	—	—
Equity Pens. Cap.	105.3	111.4	—	—
Intnl. Pens. Cap.	137.5	141.6	—	—
Fixed Int. Pens. Cap.	99.2	104.4	—	—
Deposit Pens. Cap.	97.2	102.4	—	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Sept 29	94.5		—	—
Rtmt. Fed. Aug 8	295.4		—	—
Managed Pen Fund	177.0	186.3	—	—
Property Pen Fund	114.0	120.0	—	—
Index Lnkd Pen Fund	111.6	117.4	—	—
Managed	119.3	125.4	+0.4	—
Property	104.0	109.5	—	—
Gilt and Fixed Interest	106.4	112.1	+0.5	—
Index-Linked	98.3	103.5	—	—
Equity	116.0	112.2	+0.3	—
Cash	100.7	106.2	—	—
Midland Bk. Unit Tst.	115.9	122.0	+0.3	—
Midland Bank Intnl.	137.0	144.3	+0.3	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund.	122.5	129.0	—	—
GT Pln High Yld Fnd.	113.5	119.5	—	—
GT Plan Far East Fnd	110.5	116.4	—	—
GT Plan N. Am Fd.	133.7	140.8	—	—
GT Pln UK&G.E. Fnd	126.7	133.4	—	—
GT Pln Wrldwde Fnd.	130.4	137.3	—	—
GT Pension Bnd Fnd.	131.9	138.9	—	—
GT Pen High Yld Fd.	128.5	135.3	—	—
GT Pen Far East Fd.	133.7	140.8	—	—
GT Pen N. Am. Fd.	192.4	202.6	—	—
GT Pen UK & G.E. Fd.	146.5	154.3	—	—
GT Pen Worldwide Fd.	176.5	185.8	—	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond.	166.9	175.7	—	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	247.8		-3.3	—
Portfolio Fd. Init.		204.2		—
Portfolio Fd. Cap.		295.8		—
Investment A uts.	246.9	260.0		—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	267.0	281.3		—
Money Fd.	136.2	143.4		—
Equity Fd.	224.8	236.7		—
Fixed Int. Fd.	116.0	122.2		—
Property Fd.	172.0	180.8		—
Managed Pen. Fd.	244.2	257.3		—
Equity Pension Fd.	176.8	186.3		—
Fixed Int. Pen. Fd.	162.9	171.7		—
High Yield Pen. Fd.	141.0	148.6		—
Money Pension Fd.	127.4	134.1		—
Property Pension Fd.	126.9	133.7		—
[illegible]				
American & Gen. Fd.	250.5	264.0	-2.3	—
Income Fd.	177.6	187.1	+0.6	—
Int'l. Growth Fd.	264.0	278.2		—
Capital Fund	187.4	197.7	-0.3	—
Recovery Fund	142.1	149.7	-0.4	—

OFFSHORE AND OVERSEAS

NOTES

COMMODITIES AND AGRICULTURE

Chicago grain and soya prices fall

GRAIN AND soya product prices were down yesterday on the Chicago Board of Trade, reflecting Tuesday's report from the United States Department of Agriculture (USDA) to which the market had initially reacted over strongly.

The compensation factor came into effect when USD figures indicated that supplies would be much less tight than had been expected earlier.

● SOYABEAN plantings in the U.S. next year are expected to rise to more than 70m acres from just over 63m acres planted this year.

● AUSTRALIAN Wool Corporation buying to support the floor price continued in Melbourne yesterday, with the AWC buying 35.6 per cent of the wool offered. At the Goulburn auction the AWC took 31 per cent.

● THE UN Food and Agriculture Organisation has lowered slightly its estimate of world coarse grain production in 1983, reflecting an expected drop in U.S. production.

● BENEFITS of technological advance in food production is being denied to food manufacturers because of the EEC policy of using traditional raw materials instead of newly developed potential competitors to them, says Mr Barrie Williams, deputy director-general of the Food Manufacturers' Federation.

● BRITAIN may export conifer seeds to Canada following a record crop harvested this year by the British Forestry Commission.

● NOVEMBER maximum payments for animals slaughtered because of brucellosis or tuberculosis infections will be £534.

● INDIA'S TOTAL foodgrains output is expected to reach a record 142m tonnes in 1983/84, according to the Agriculture Ministry.

Britain will accept EEC milk imports

BRITAIN has conceded that it must accept imports of EEC milk. Defiance of the EEC ruling saying imports must be allowed in, due to come into effect on November 16, is "not realistic," says Mr Michael Jopling, Minister of Agriculture.

However, he adds: "Although we must comply with the law we can also avail ourselves of certain helpful aspects of the judgment laid down by the European Court."

Mr Jopling, speaking at the Dairy Trade Federation's 50th annual lunch, said Britain could lay down criteria dealing with the quality of milk before treatment, and the method of treating and packing ultra-heat treated milk (UHT) offered for sale in the UK.

He said port health authorities would be responsible for sampling and testing to ensure that imported milk met the health and hygiene requirements applied to domestic production.

"This will ensure that the health of United Kingdom consumers is not threatened by imports and I hope this will allay some of the concern expressed."

He said that the consumer thinking was likely to have more impact on continuation of doorstep deliveries than the details of any import regime over cheap milk.

He was convinced that "the consumer recognises the excellence of the product on the doorstep and the value of the service and will not lightly abandon it."

Mr Jopling also attacked various aspects of the European Commission's proposals to reform the Common Agricultural Policy (Cap).

The proposal to phase out the butter subsidy in two phases "does not make sense," he said. Greater consumption was needed instead, to make up for the 40 per cent drop in consumption in the past decade.

The supplementary levy proposals to deal with milk overproduction would be difficult to administer and enforce, although it should halt the growth of milk production.

"It is clear to me that the right way to solve the milk problem is to get prices back in balance with supply and demand and to make it clear that prices will be held back until the situation is under proper control."

Sugar exports curbed

BY JOHN EDWARDS

THE EEC Commission authorised the export of 49,405 tonnes of white (refined) sugar at its weekly selling tender yesterday. A maximum export rebate of 31.654 European currency units per 100 kilos was granted. The rebate given was somewhat lower than expected by traders, bearing in mind the decline in world sugar values during the past week.

The London daily sugar price for raw sugar was marked down by a further £2.50 to £145.50 a tonne, £17 down on a week ago. However, values on the futures market rallied. The March position closed £2.35 up at £165.40.

The EEC export figure was viewed as mildly bullish, in view of the lower than expected rebate and the failure to authorise any exports of raw sugar.

So far this season, the EEC, during the first 15 weeks of sales, has authorised the export of 636,905 tonnes of white sugar and 210,000 tonnes of raw sugar.

Confusion on cocoa crops continues

By Our Commodities Editor

THE GREAT cocoa debate continued yesterday, with yet another estimate of the forthcoming West African crop.

The cocoa dealing division of Dean Witter Reynolds, in a market report from West Africa, forecast that the Ivory Coast main crop would total between up on last year's crop output of 360,000 tonnes.
crop output of 360,000 tonnes.

It says Ghana will produce a main crop of only 140,000 tonnes against 176,000 tonnes last season.

Earlier this week, Bousted Commodities predicted that the Ivory Coast crop would be between 360,000 to 380,000 tonnes, but estimates from various companies have ranged between a low of 350,000 tonnes and a high of 450,000 tonnes. It put Ghanaian production at 180,000 tonnes.

The Dean Witter report, based on farm inspections during late September and early October, is more optimistic about the Ivory Coast but more pessimistic about Ghana. Its report says rains in October may add 5,000 tonnes to the Ghana crop, making it 145,000 tonnes, but that the rehabilitation of the cocoa farms is a medium to long-term undertaking.

Nigerian production is put at between 160,000 to 165,000 tonnes for the main crop in spite of the price increase for producers. Cameroun's output is estimated at 95,000 tonnes.

Confusion still surrounds the report from Ghana on Tuesday that its 1982-83 crop totalled only 110,000 tonnes

However, most interest still concerns the Ivory Coast. Its crop this season will decide whether production falls short of demand for the second year in succession.

Decline in copper prices accelerates

BY JOHN EDWARDS, COMMODITIES EDITOR

THE DECLINE in copper prices accelerated on the London Metal Exchange yesterday. Higher grade cash copper closed £27.5 down at £922 a tonne, its lowest level since December last year, following a further bout of disappointed speculative selling, mainly from the U.S.

Copper was depressed by the falls in gold and silver and the failure of the market to respond to the conflicts in Grenada and the Middle East, which at one time would have sent prices rocketing upwards.

At present, according to traders, the market is in an apathetic mood as a result of poor consumer demand and rising stocks. It is, therefore, vulnerable to burst of speculative selling that have been the main cause behind the recent fall in prices.

Silver was hit in the afternoon by a Reuter report from Lima that Peru may be forced to sell more silver if its currency reserves continued to decline. It was reported that Peru has already recently sold $70m worth of silver but was contemplating further sales.

The London bullion spot price was cut by 5.9p to 633.20p an ounce at the morning fixing; in the afternoon it fell sharply to close at 614p.

Our Montreal correspondent writes: Alcan Aluminium's Canadian smelters, with rated capacity of 1,075,000 metric tons of ingots annually, will be operating at almost full capacity by early January 1984 to meet strong demand from Canadian, U.S. and other customers.

In effect the company will have only about 20,000 tons of spare capacity available, located in the older smelting facilities at the former Arvida plant north of Quebec city, now known as Jonquiere.

Alcan is bringing the third potline at its new Grande Baie smelter on stream in December, and it will take about a month to reach full production. The company could well make a start on construction of the Laterriere expansion near Jonquiere in 1984, if aluminium markets remain strong.

Jonquiere, with a rated capacity of about 650,000 tons of ingot yearly, is still the Western world's largest single primary aluminium plant. Much of the supporting alumina and chemicals system, including rotary kilns, date back to the early forties when the complex was expanded for the war effort.

The company remains fully committed to completing the full $C700m alumina modernisation by 1990, assuming sound industry conditions.

Caribbean bauxite industry sees slight relief in sight

BY CANUTE JAMES IN KINGSTON

BAUXITE mining and refining countries in the Caribbean region, which have long suffered the effects of a weak market, are now slightly optimistic that a promise of increased demand for aluminium will bring them some relief.

Industry leaders have said, however, that not all the countries will be positively affected by the hardening of the market, and that the raw material stage of the industry cannot expect to see meaningful benefits until about the third quarter of next year.

Jamaica, for example, is savouring the promise of Alcoa to reopen a part of its refinery which was mothballed in 1981, but the industry in Guyana, on the other hand, is facing mounting losses.

The state-owned Guyanese industry, nationalised from Alcan and Reynolds in the early 1970s, lost $25m in the first six months of this year. Mr Dunstan Barrow, chief executive of Guyana Mining Enterprise, said the industry's problems started last year with losses of $22m.

Production last year slipped to 1.43m tons of ore, against 1.68m the previous year. The picture this year is considerably worse, with mining output struggling to 486,000 tonnes between January and June. By December, Mr Barrow said, the industry's overdraft for this year will reach $81m.

In an effort to cut costs, the Bauxite sector has had to lay off 1,700 workers, and close the country's only refinery.

Reduced output by Surinam has had a marked effect on the economy. The industry shipped 477,000 tonnes of ore last year against shipments of 1.2m tonnes in 1981. Production of alumina (refined bauxite) fell to 1m tonnes from 1.2m. Smelting improved marginally, however, yielding 43,000 tonnes, 2,000 tonnes more than 1981.

The fall in mining has affected the Government's finances. The sector accounts for 80 per cent of the Dutch-speaking republic's exports, 30 per cent of the Government's revenues, and 18 per cent of the countrys gross domestic output.

The industry is owned by Suralco, a subsidiary of Alcoa, and Billiton, a part of Royal Dutch Shell. Alcoa has repeatedly indicated concern about its operations, and has sold a part of its 1.4m-tonne refinery to Billiton.

Venezuela's Interalumina plant, owned by Corporacion Venezolana Guyana, the Venezuela Investment Fund and Alusuisse, is planning to export 200,000 tonnes of alumina next year.

Some of the ore for the refinery is now imported, but the new Los Pijiguos mines will next year provide all the plant's raw material needs. Some of Interalumina's output is now being consumed by the local Alcasa and Venalum smelters.

Alcoa's decision to reopen the closed part of its refinery in central Jamaica was announced recently by Mr Charles Parry, the company's chief executive.

This will take the plant's output from the expected 365,000 tonnes this year to its full rated capacity of 550,000 tonnes, and will bring some relief to the depressed industry in Jamaica, which has traditionally been among the world's top three bauxite producers.

There is no indication, however, that the other companies mining and refining in the island—Alcan, Kaiser, Reynolds and Anaconda—will follow Alcoa's lead.

Industry sources say the others are awaiting the outcome of new negotiations with the Government on a controversial bauxite production levy which has irritated the companies. They claim it has inflated the production costs. The current levy agreement expires at the end of this year.

Jamaica's bauxite output last year fell 30 per cent below 1981 production, to 8.3m tonnes, with the economy losing about $200m in anticipated gross earnings. Output this year is running at 29 per cent below last year.

There is no such joy for the region's two smaller producers, Haiti and the Dominican Republic.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 26 1983	+ or —	Month ago
Metals			
Aluminium	£1050		£1050
Free Mkt	$1530/1560	—40	$1600/65
Copper			
Cash h grade	£922	—27.5	£1007
3 mths	£944.75	—28	£1031.75
Cash Cathode	£904	—26.25	£982
3 months	£928	—24.5	£1007.5
Gold troy oz	$388.125	—10.5	$415.375
Lead Cash	£278	—3.5	£281.5
3 months	£286.125	—3.5	£321.5
Nickel	£4646.54		£4646.54
Free mkt	215/235c		220/250c
Palladium oz	$141.00	—3	$151.75
Platinum oz	£255.10	—10.15	£225.25
Quicksilver†	$320/330		$305/315
Silver troy oz	633.20	—5.90	794.20p
3 mths	647.25	—5.90	612.55p
Tin cash	£8574	+16.5	£8517.5
3 month	£8650.5	+20	£8602.5
Tungsten	$85.79		$72.17
Wolfr'm 22.04 lb	$78/88	—1	$79/83
Zinc Cash	£589.5		£542
3 mths	£602.75	—0.5	£557.25
Producers	$935		$880

	Oct. 26 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$895.0y	+5	$945
Groundnut	‡		‡
Linseed Crude	‡		‡
Palm Malayan	$875y	+5	$700
Seeds			
Copra Phil	$580y	+10	$530
Soyabean (U.S.)	$336.75	+5.25	$352.5
Grains			
Barley Fut. Jan	£118.65	—0.15	£121.65
Maize	£146.00		£148.00
Wheat Fut. Jan	£123.75	+0.05	£124.95
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1494.5		£1507.8
Fut. March	£1423.5	+3.9	£1474.5
Coffee Ft. Jan.	£1898	—5	£1795.5
Cotton A. Index	88.60c	—0.19	87.30c
Gas Oil. Nov.	$251.75	—2	$252.00
Rubber (kilo)	78.00p	+0.50	74.25p
Sugar (Raw)	£145.5	—2.5	£157.0
Woolt'ps 64s	400p kilo		408p kilo

‡ Unquoted. w Nov. o Dec. v Jan. x Oct-Nov. y Nov-Dec. † Per 76 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.70	—
Iranian Light	28.00	—
Arabian Heavy	26.60-26.70	—
North Sea (Forties)	29.55-29.60	—0.15
North Sea (Brent)	29.80-29.90	+0.05
African (Bonny Li'ht)	29.90-29.95	—0.05

PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	290-296	—
Gas oil	250-257	+0.5
Heavy fuel oil	170-174	—1.5

The market opened $2.00 lower, as a result of the bearish API statistics for distillates. Light short covering prevented a further drop until a weak New York market caused another fall, reports Premier Man.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Oct	248.50	—1.50	248.00-46.00
Nov	251.75	—2	252.25-50.50
Dec	253.00	—2.50	254.00-51.75
Jan	253.25	—2.50	254.25-52.00
Feb	251.25	—2.25	251.90-51.00
Mar	246.75	—2.50	246.75-49.50
April	244.00	—3	244.25-44.00
May	241.50	—2.50	243.00-42.00
June	242.00	—2	—

Turnover: 1,339 (1,072) lots of 100 tonnes.

GOLD MARKETS

Gold fell $10¼ to $387¾-388¼ on the London bullion market. It opened at $396¼-397¼, and was fixed at $395¼ in the morning, and $392.60 in the afternoon. The metal touched a low of $385¾-386¼, and a peak of $396.90-397.40.

In Paris the 12½ kilo gold bar was fixed at FFr 101,500 per kilo ($396.10 per ounce) in the afternoon, compared with FFr 101,500 ($396.72) in the morning, and FFr 101,700 ($398.21) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,280 per kilo ($396.49 per ounce), against DM 33,220 ($397), and closed at $390¾-391¼, compared with $398-398½.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $397 per ounce against $397.40.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Dec	398.70-99.10	—11.85	408.50-386.0
Feb	402.10-02.30	—11.80	—
April	408.30-08.00	—12.00	—
June	414.50-15.50	—8.10	—
Aug	421.00-23.00	—5.95	—
Nov	399.00-35.00	—	—

Turnover: 564 (—) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Oct. 26		Oct. 25	
Close	$387¾-388½	(£255-250½)	$398¼-388	(£265½-266)
Opening	$396½-397¼	(£264¾-265¼)	$387-397¾	(£264¼-265¼)
Morning fixing	$396.20	(£263.676)	$395.28	(£264.202)
Afternoon fixing	$392.60	(£262.293)	$398	(£265.553)

Gold Coins Oct. 26

Krugrnd	$401½-402	(£268¼-268¾)	King Sov	$93½-94½	(£62½-63¼)
½ Krg	$207-207¼	(£138¼-138¾)	Victoria Sov	$93½-94½	(£62½-63¼)
¼ Krg	$106-106¾	(£70¾-71¼)	French 20s	$77¼-78¼	(£51½-52¼)
1/10 Krug	$43-43¾	(£28¾-29¼)	50 pesos Mex	$471-473	(£314¾-316)
Mapleleaf	$401¼-401¾	(£268¼-268½)	100 Cor. Aust	$380-384	(£254-252½)
New Sov	$91¼-92¾	(£61¼-62)	$20 Eagles	$565-575	(£377½-384¼)
½ New Sov	$55-55¾	(£36¾-37¼)			

EUROPEAN MARKETS

ROTTERDAM, Oct 26

Wheat—(U.S. $ per tonne). U.S. Two Red Winter Nov 161, Dec 162.50, Jan 164.75, Feb 167.25; U.S. Northern Spring 14 per cent protein Nov 189, Dec 191, Jan 195, Feb 196; U.S. Three Amber Durum Nov 201, Nov 20-Dec 20 201, Dec 202, April-May 206; Canadian Western Spring Spot 205.50, Oct-Nov 206.50.

Maize—(U.S. $ per tonne). U.S. Three Yellow Afloat 162, Oct 161.75, Nov 161, Dec 161.50, Jan-March 161.50, April-June 162.25, sellers; Argentine Plate Afloat 173, mid-Oct-mid-Nov 172, Nov 176, sellers.

Soyabeans—(U.S. $ per tonne). U.S. Two Yellow Gulfports Nov 330.75, Dec 333.50, Jan 338, Feb 341.75, March 345, April 245.50, May 346, Nov 271.50, Dec 275.50, Jan 280.50, sellers; Argentine Afloat 327.50, sellers.

Soyameal—(U.S. $ per tonne). 44 per cent Afloat 264, Oct 267, Nov 267, Dec 273, Jan 278, Nov-March 276, Jan-March 278, April-Sept 277.50, sellers after afloat on Berens 263, Nov 287, Jan-March 278 traded; Pellets Brazil Afloat 286, Oct 286, Nov 292, Dec 293, April-June 290, Nov-March 302.50, sellers; Pellets Argentine Afloat 275, Oct 276, Nov 279, Dec 281, Jan 286, sellers.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES remained under pressure on the London Metal Exchange, especially Copper which dropped to a ten-month low of £942 at one point—reflecting persistant American selling—before recovering modestly to close at £948. Other metals were also affected but closed above the day's lows. Zinc continued to attract substantial trade support and moved up from the day's low point to £589 to close the late Kerb at £606.5.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £930, three months £958, 57, 56.50, 56, 55, 54, 54.50, 55, 54.50, 53.50, 54, 53.60, 53. Cathodes: Cash £909.50. Kerb: Higher Grade: Three months £952, 51.50. Afternoon: Higher Grade: Three months £943, 42.50, 43, 43.50, 44, 46, 43, 44, 45, 44.50, 44, 44.50. Kerb: Higher Grade: Three months £945.50, 46, 46.50, 47, 48, 49, 48, 47, 46.50, 47. Turnover: 27,475 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	930-.5	—16	951.5-2.5	—27.5
3 months	953-.5	—18½	944.5-5	—30
Settlem't	930.5	—18	—	—
Cathodes				
Cash	909.5-10	—17	903-5	—26½
3 months	933-4	—18.2	927-8	—24.5
Settlem't	910	—17	—	—
U.S. pro'd	—	—	*68-75	—

TIN

Tin—Morning: Standard: Cash £8,580, 76, three months £8,660, 65. High Grade: Cash £8,745, three months £8,720. Kerb: Standard: Three months £8,651. Afternoon: Standard: Three months £8,655, 51, 50. High Grade: Three months £8,720, 25, 20. Kerb: Standard: Three months £8,650. Turnover: 1,280 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8745-50	+28	8740-5	+27.5
3 months	8780-1	+20	8720-2	+18
Settlem't	8750	+30	—	—
Standard.				
Cash	8575-80	+48.5	8573-5	+16.5
3 months	8660-1	+34	8650-1	+28
Settlem't	8580	+48	—	—
Straits E.	£830.11	+0.06	—	—
New York				

LEAD

Lead—Morning: Cash £279, 78.50, 78, three months £287, 86.50, 87, 87.50, 87, 87.25. Kerb: Three months £286.50, 86, 86.50. Afternoon: Three months £286, 86.50, 85.25, 86, 84.50, 85, 85.25, 85. Kerb: Three months £286, 86.50, 87, 87.50. Turnover: 12,325 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	278-.25	—2.25	275.5-6.5	—3.62
3 months	287-.25	—2	285-.25	—5.5
Settlem't	278.25	—2.75	—	—
U.S. Spot	—	—	*25-9	—

ZINC

Zinc—Morning: Three months £603, 02, 01.50, 02. Kerb: Three months £601, 02, 03, 03.50, 03. Afternoon: Three months £602, 01.50, 01, 01.50, 02, 01, 02, 04, 03. Kerb: Three months £604, 03, 04, 05, 06, 07, 08, 07. Turnover: 7,800 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	587.5-8.5	+2.5	589-90	—
3 months	601.5-2	+2.5	602.5-3	—.5
Settlem't	588.5	+2.5	—	—
Primw'ts	—	—	*45-.75	—

ALUMINIUM

Aluminium—Morning: Three months £1,049, 49.50, 50, 48, 47, 47.50. Kerb: Three months £1,047, 48.50, 47. Afternoon: Three months £1,045, 44, 44.50, 44, 45, 46, 46.50, 46, 46.50, 47. Kerb: Three months £1,047, 48, 49, 49.5, 50, 51, 52, 51. Turnover: 19,900 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1030.5-1	+2.25	1020-1	—7
3 months	1047-.5	+2	1046.5-7	—7.5

NICKEL

Nickel — Morning: Three months £3,200, 3,195, 90, 93, 95, 90. Kerb: Three months £3,195. Afternoon: Three months £3,190, 91, 92. Kerb: Three months £3,195, 91, 90. Turnover: 414 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3113-20	—19.5	3115-8	—25
3 months	3151-5	—11.5	3192-5	—33

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

SILVER

Silver was fixed 5.9p an ounce lower for spot delivery in the London bullion market at 633.2p. U.S. equivalents of the fixings were: spot $9.482, down 9.8c; three-month $9.703, down 9.9c; six-month $9.9270, down 9.5c; and 12-month $10.407, down 9.6c. Silver opened at 638-640p ($9.956-9.60) and closed at 613-615p ($9.18-9.22).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	633.20p	—5.90	617.0p	—31
3 months	647.25p	—5.90	630.5p	—32
6 months	661.60p	—5.75	—	—
12 months	681.25p	—6.45	—	—

LME — Turnover 117 (64) lots of 10,000 ozs. Morning: Three months 648.0, 48.5, 48.0, 47.0, 46.0, 45.5, 45.0, 45.5. Kerb: Three months 644.5, 45.0. Afternoon: Three months 629.0, 30.0, 32.0, 31.5, 31.0, 30.0, 30.5, 31.0. Kerb: Three months 631.0, 30.5.

COCOA

In sharp contrast to the activity of yesterday futures today traded over a narrow range and closed quietly at the mid-point of that range, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1418-20	+4.0	1429-13
March	1423-24	+3.0	1434-17
May	1435-38	+3.0	1444-35
July	1449-50	+3.0	1459-43
Sept	1460-61	—1.0	1470-55
Dec	1480-82	+6.0	1485-80
March	1500-03	+3.5	1503-95

Sales: 2,443 (—) lots of 10 tonnes.

COFFEE

During early dealings good trade and commission house participation produced a fairly active session, reports Drexel Burnham Lambert. In the afternoon prices continued to retreat from the highs before trade support encouraged a recovery from the lower levels.

COFFEE	Yest'day's Close	+ or —	Business Done
Nov	1895-96	—2.5	1903-1886
January	1891-93	—5.0	1903-1884
March	1835-36	—8.5	1849-1825
May	1790-91	—7.0	1805-1781
July	1760-65	—7.0	1770-53
Sept	1765-85	—12.0	1756-26
Nov	1701-05	—12.5	1710-05

ICO indicator prices (U.S. cents per pound) for Oct 25: Comp daily 1979 137.15 (138.95): 15-day average 136.05 (135.40).

Sales: 4,867 (4,572) lots of 5 tonnes.

GRAINS

Business done—Wheat: Nov 120.25-20.15, Jan 124.00-23.80, March 127.00-26.80, May 129.85-29.65, July untraded, Sept untraded. Sales: 211 lots of 100 tonnes. Barley: Nov 116.05-15.90, Jan 120.00-19.65, March 122.85-22.65, May 124.85-24.80, Sept untraded. Sales: 249 lots of 100 tonnes.

Wheat and barley markets remained very dull improving 30p on shipper buying but falling back later in the day to close 10p up to 15p down, with new crops unchanged, reports Muirpace.

HGCA — Locational ex-farm spot prices. Feed wheat: Eastern 119.80, E. Midlands 119.00, N. East 122.10. Feed barley: E. Midlands 115.40, N. East 117.20, Scotland 113.10. The UK monetary coefficient for the week beginning Monday October 31 is expected to remain unchanged.

	WHEAT		BARLEY	
Mnth.	Yestrday's close	+ or —	Yest'day's close	+ or —
Nov	120.15	+0.10	115.90	+0.10
Jan	123.75	+0.05	119.65	—0.15
Mar	126.75	+0.05	122.65	—0.20
May	129.65	+0.10	124.55	—0.15
July	132.30	—0.05	—	
Sept	117.40		113.40	

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Oct 135.50, Nov 137.50, Dec 136.50 transhipment East Coast; English feed fob Nov 125, Dec 126.50, Jan-March 130 East Coast. Maize: French first half Nov 146, second half Nov 146.50 transhipment East Coast. Barley: English feed fob Nov 121 paid East Coast. Rest unquoted.

POTATOES

Initial strength was not sustained, and in a quiet market prices eased back to chart levels, falling further on week close.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	156.00	155.90	158.00-56.50
Feb	182.00	182.00	183.00
April	211.80	213.20	219.00-12.00
May	215.90	217.70	221.50-15.90
Nov	82.00	82.00	81.80-80.00

Sales: 828 (1,212) lots of 40 tonnes.

SOYABEAN MEAL

The market opened unchanged in dull trading, reports T. G. Roddick. Prices fell on commission house selling and light long liquidation.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec	180.50-82.50	—5.85	183.50-80.50
Feb	186.80-86.90	—2.90	189.50-86.50
April	187.00-87.50	—2.60	188.50
June	185.00-88.00	—2.20	—
August	185.00-86.50	—2.25	—
October	175.00-76.50	—3.25	—
Dec	180.00	—	—

Sales: 79 (93) lots of 100 tonnes.

RUBBER

The physical market opened slightly steadier, attracted little interest throughout the day and closed idle, reported Lewis and Peat. The Kuala Lumpur October fob price for RSS No 1 was 257.00 (—) cents a kg and for SMR20 212.00 (—).

No. 1 R.S.S.	Yest'day's close	Previous close	Business Done
	£ per tonne		
Dec	788-795	775-780	780
Jan	780-790	—	—
Jan-Mch	785-787	784-786	785
Apl-Jne	804-805	801-803	805-803
Jly-Sept	818-819	816-817	819-818
Oct-Dec	834-835	829-834	835
Jan-Mch	848-850	843-846	849
Apl-Jne	864-858	863-864	—
Jly-Sept	876-883	870-785	—

Sales: 27 (216) lots of 15 tonnes, 0 (134) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 78.00p (78.50p); Dec 79.25p (—); Jan 79.75p (—).

SUGAR

LONDON DAILY PRICE — Raw Sugar £145.00 (£148.00) a tonne for Oct-Nov-Dec shipment. White Sugar £151.50 (£165.00). In moderate trading conditions the market continued to consolidate at the lower levels after the recent sharp fall, reports C. Czarnikow.

Tate and Lyle delivery price for granulated basis sugar was £254.00 (£267.00) a tonne for export.

No. 4 Contract	Yest'day's close	Previous close	Business done
	£ per tonne		
Dec	158.00-59.75	157.75-58.25	158.50-57.00
Mar	165.40	163.75-63.25	165.40-62.50
May	170.55	168.55-68.75	170.85-68.25

Sales: 3,205 (3,447) lots of 50 tonnes.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for Oct 25: Daily price 8.85 (8.40); 15-day average 9.92 (9.98).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 11 tonnes. Buying was at a low ebb with only minimal evidence of fresh demand. Users adopted a very cautious tone, and activity was confined to scattered interest in African and American type qualities.

COCOA

ICCO—Indicator prices (U.S. cents per pound). Daily price for Oct 26: 93.41 (93.34): five-day average for Oct 27: 93.77 (93.69).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 559.0, 559.1, 559.5-558.5; March 580.0, 580.5, 580.0-579.0; May 590.0, 592.0, 592.0-592.0; July 600.0, 604.0, 601.0-601.0; Oct 598.0, 600.5, untraded; Dec 607.0, 612.0, 608.0-608.0; March 620.0, 622.0, untraded. Sales: 44.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 407, 450, untraded; Dec 412, 413, 413-411; Jan 412, 413, 412-411; March 415, 416, 417-415; May 420, 422, 422-419; Aug 434, 436, 438-435; Oct 434, 437, 437-436; Dec 438, 441, 440-438; Jan 440, 44, 42; March 446, 454, 450. Sales: 93.

INDICES

FINANCIAL TIMES

Oct. 20	Oct. 25	M'th ago	Y'ar ago
285.54	286.44	297.77	227.61

(Base: July 1 1952=100)

REUTERS

Oct. 26	Oct. 25	M'th ago	Y'ar ago
1896.8	1895.5	1887.5	1508.7

(Base: September 18 1931=100)

MOODY'S

Oct. 25	Oct. 24	M'th ago	Year ago
1032.9	1051.4	1058.6	979.5

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Oct. 25	Oct. 24	Month ago	Year ago
Spot	138.14	137.30	142.73	127.17
Fut's	144.27	144.82	140.65	155.54

(December 31 1931=100)

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 95.31p per kg lw (+5.28). GB—Sheep 128.89p per kg est dcw (—5.47). GB—Pigs 78.72p per kg lw (+2.47).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 82.0 to 87.0, English hindquarters 83.0 to 86.5, forequarters 58.0 to 61.0; Eire hindquarters 82.5 to 86.5, forequarters 58.3 to 61.5. Veal: Dutch hinds and ends 142.0 to 145.5. Lamb: English small 60.0 to 68.0, medium 60.0 to 64.0, heavy 58.0 to 62.0; Imported New Zealand PL 58.5 to 60.0, PX 57.0 to 57.5. Pork: English under 100 lbs 48.0 to 55.0, 100-120 lbs 48.0 to 54.0, 120-160 lbs 46.0 to 52.0.

COVENT GARDEN—London: Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported Produce: Satsumas—Spanish: 3.20-4.00. Oranges—Outspan: Valencia Lates 56 7.70, 72 7.70, 88 7.60, 112 6.60, 138 6.30, 150 5.30; Brazilian: Valencia Lates 5.50-6.00; Uruguayan: 6.00-6.50. Lemons—Outspan: small sizes 5.00-6.00; Italian: carton 7.00-8.00; Turkish: 6.00-7.50; Cypriot: 10-kg boxes 5.00-4.50; Greek: 15 kg 7.00-8.00. Grapefruit—Honduras: box 5.00-5.50; Dominican: 5.60-6.60; Cuban: 4.50-4.60. Ruby 7.50; Jaffa: 32 5.80, 36 6.00, 40 6.20, 48 5.95, 56 5.65, 64 5.40, pink carton 6.00-6.50; U.S.: Ruby 10.80. Apples—French: Golden Delicious, carton 5.40-6.50, half carton 3.00-3.20, Granny Smith carton 7.60-8.40, half-carton 3.60-4.20, Starkcrimson, carton 5.80-7.20; Hungarian: Red Delicious 19 kg approx. 7.00; U.S.: Red Delicious, new season, carton 13.50-14.00. Pears—Italian: Williams 0.20-0.24; French Comice 0.14-0.16. Grapes—Italian: per pound, Italia 0.25-0.34; Spanish: Italia 0.30-0.35, Almerio 0.20-0.24, Napoleon 0.25-0.27. Melons—Spanish: 10 kg Green 3.80-4.00; Galia, small tray 5.50-7.50. Bananas—Colombian: 40-lb boxes 10.30-10.50. Avocados—Canary: 4.50-5.20; Israeli: 5.00-5.80; U.S.: 4.50-5.50. Pineapples—each: Ivory Coast: 0.45-1.40; Cape: 0.50-1.00. Pawpaws—Brazilian: 6.00-7.00. Mangoes—Brazilian: 8.00-9.00; Kenyan: 5.50-9.00. Fennel—Italian: 8 kg 5.00-5.50. Figs—Smyrna: 48s x 8 oz 2.20-9.60. Kiwifruit—New Zealand: 6.00-6.20. Tomatoes—Spanish: tray 3.20-3.00; Dutch: tray 3.40-3.50, Beefsteak 5.20-5.40. Aubergines—Dutch: 5 kg 6.00-6.60; Kenyan: 4.00-4.60. Onions—Spanish: 25-kg nets 10 kg Zaragoza 4.60; Dutch: 50/70mm 4.00-4.20; Hungarian: 4.30; Polish: 4.60-4.80. Capsicums—Dutch: Yellow 5.50-6.00, Green 4.20, Red 4.50-5.00. Cabbages—Dutch: Red 4.60, White 5.20-5.60. Potatoes—Cypriot: 44-lb bag 3.60-4.00. Sugar Peas—Kenyan: per pound 1.40-1.60. Persimmons—Italian, tray, 3.00-3.50. Globe Artichokes—French: 24s 5.50-5.80. Lettuces—U.S.: Iceberg 30s 18.00-20.00; Dutch: trays 24s 3.60-3.80. Cucumbers — tray, Dutch: 4.00-4.20; Spanish: 3.00-3.40; Canary: 3.00-3.60. Courgettes—French: per pound 0.32-0.35. Chestnuts—Italian: 22 lb 9.00-10.50. Dates—packets x 30 0.55-0.62. Brazils — Large washed Manaos, per pound 5.46. Walnuts—Chinese: per pound 5.29-0.30; French Grenoble 5.30. Filberts—Sicilian: per pound 0.29-0.30. Almonds—Ibiza: semi-soft, per pound, 0.40-0.41. Pecans—U.S.: per pound 0.85-0.90. Cranberries—U.S.: pack x 18 5 oz 7.20, 24 x 12 oz 13.50. Pomegranates—Spanish: 4.50-5.50. Calabrese—Jersey: per pound 0.40-0.35; Italian: per pound, 5.15-0.20. Sprouts—Dutch: per pound 0.16-0.17.

English Produce: Apples—per pound, Bramley, new season, 0.12-0.17, Howgate 0.10-0.11, Cox's 0.14-0.24, Russet 5.15-0.18, Spartan 0.14-0.13. Pears—per pound, Comice 0.12-0.20, Conference 0.14-5.20. Strawberries—8 oz 0.40-0.40, according to condition. Raspberries—4 oz punnets 0.90-1.00. New Potatoes—3.80-4.80. Mushrooms—per pound, open 0.70-0.90, closed 1.00-1.20. Lettuces—per tray, Round 1.20-1.50, Webb's 2.20-2.40, Cos 1.80-2.20, Iceberg per dozen 7.00-7.60. Onions—per 55 lb 4.00-4.20. Cabbages—per 25 lb Celtic 2.20-2.50, Primo 2.50-2.80, Greens—28 lb, Kent 2.20-2.40. Cauliflowers—12s Lincoln 3.00-3.80, Kent 4.00-4.50. Cucumbers—2.60-3.80. Tomatoes—Hothouse, 12 lb 2.00-2.60. Celery—3.00-3.50. Beetroots—28 lb 2.00-2.20. Turnips—28 lb 2.00-3.00. Swedes—28 lb 1.20-1.40. Capsicums—Green, per pound 5.22-0.26. Leeks—per pound 0.25-0.28. Carrots—28 lb 1.20-1.80. Parsnips—28 lb 2.50-3.00. Courgettes—per pound 0.20-0.25. Sprouts—per pound 0.15-0.18. Fennel—per pound 0.25-0.30. Calabrese—per pound, Kent 0.50.

AMERICAN MARKETS

Gold and silver were pressured to new contract lows as disappointed selling developed in response to the cash market's failure to rally above $400 in gold. Copper continued under pressure on long liquidation by commission houses as stocks remain large. Sugar recovered from marginal losses recorded early in the session as dealer support developed. Cocoa came under pressure as uncertainty over the status of the Ivory Coast crop remained. Coffee traded under light pressure from commission house liquidation as the market failed to decisively break out to the upside. Cotton's failure to follow-through on yesterday's late recovery encouraged long liquidation but prices finished slightly higher on a late short-covering rally. Heating oil was under heavy selling pressure due to a bearish trade report which indicated a greater than expected build-up in distillate stocks. The prospect of large deliveries pressured the grains and soyabean complex with soyabeans being offered at limit-down levels, reports Heinold Commodities.

NEW YORK

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
Dec	1948	1973	1935	1970
March	1979	1997	1970	2000
May	2008	2015	2000	2024
July	2040	—	—	2040
Sept	2060	2080	2060	2055
Dec	2075	2065	2060	2075
March	2085	2097	2097	—

COFFEE "C" 37,000 lb; cents/lb

	Close	High	Low	Prev
Dec	142.95	143.10	142.07	143.23
March	140.58	140.70	139.60	140.10
May	136.96	137.00	136.10	137.20
July	133.77	133.60	133.30	133.53
Sept	130.58	130.75	130.50	131.00
Dec	127.88	128.00	127.90	128.13
March	126.00	126.00	125.50	126.00

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	61.75	—	—	62.90
Nov	61.90	—	—	62.95
Dec	62.40	63.15	62.15	63.55
Jan	63.05	63.75	62.70	64.20
March	64.35	65.10	64.10	65.55
May	65.65	66.45	66.35	66.90
July	67.00	67.90	66.80	68.25
Sept	68.35	69.20	68.05	69.60
Dec	70.40	71.25	70.15	71.65
Jan	71.10	71.70	70.50	72.35

COTTON 50,000 lb; cents/lb

	Close	High	Low	Prev
Dec	79.97	80.16	79.36	79.85
March	81.25	81.50	80.60	81.20
May	81.75	81.85	81.30	81.55
July	81.00	81.90	81.30	81.80
Oct	76.50	76.50	75.70	76.25
Dec	75.10	75.30	74.85	—
March	76.10	—	—	76.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	386.5	394.0	390.0	397.5
Nov	388.5	—	—	397.5
Dec	389.3	398.2	388.0	400.8
Feb	395.5	405.0	394.5	407.2
April	402.0	411.5	402.0	413.8
June	406.6	417.0	406.0	420.5
Aug	415.4	426.0	415.0	427.6
Oct	422.5	426.0	425.0	434.8
Dec	429.3	438.8	428.0	442.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Nov	79.62	80.25	79.55	80.90
Dec	80.86	81.50	80.75	82.15
Jan	81.34	81.80	81.25	82.45
Feb	80.75	81.15	80.65	81.80
March	78.65	79.10	78.70	—
April	77.60	77.60	77.55	77.00
May	76.60	—	—	76.00
June	75.50	75.60	75.50	—

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
Nov	128.50	128.50	126.90	128.00
Jan	122.90	123.00	121.80	122.80
March	120.95	121.00	112.60	119.00
May	119.70	119.70	118.80	118.40
July	119.45	119.45	119.00	118.20
Sept	115.85	119.00	110.00	117.70
Nov	118.40	118.76	117.00	117.20
Jan	114.75	113.00	113.00	114.00
March	14.75	—	—	13.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	381.0	387.0	380.0	390.4
Dec	383.3	386.5	382.0	395.9
Jan	385.2	393.0	381.0	397.9
April	391.6	398.0	387.1	403.8
July	398.5	404.0	397.0	410.4
Oct	405.8	410.0	410.0	417.4
Jan	423.0	—	—	430.0

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	910.0	943.0	912.5	959.5
Dec	919.0	955.0	918.0	968.0
Jan	928.2	960.0	941.0	976.2
March	942.7	980.0	942.7	992.7
May	960.2	996.0	961.0	1015.2
July	977.7	913.0	977.7	1027.7
Sept	995.2	937.5	—	1045.2
Dec	1022.6	1056.0	1022.0	1072.0
Jan	1030.8	1034.0	1030.8	1080.8
March	1048.6	1078.0	1048.6	1098.6

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	9.52	9.56	9.42	9.50
March	10.04	10.08	9.82	9.89
May	10.35	10.42	10.15	10.24
July	10.64	10.75	10.52	10.54
Sept	10.86	10.86	10.80	10.73
Oct	11.03	11.17	10.94	10.97
Jan	11.15	11.15	11.05	11.13
March	12.00	12.02	11.90	11.93

CHICAGO

LIVE CATTLE 40,000 lb; cents/lb

	Close	High	Low	Prev
Dec	59.07	59.40	58.80	59.02
Feb	58.67	59.17	58.65	58.82
April	61.35	61.70	61.20	61.36
June	63.57	63.80	63.37	63.50
August	62.55	62.87	62.55	62.56
Oct	61.36	61.35	61.36	61.20

LIVE HOGS 30,000 lb; cents/lb

	Close	High	Low	Prev
Dec	42.42	42.50	41.95	42.40
Feb	46.36	46.42	44.82	46.25
April	45.10	45.50	44.86	45.40
June	50.66	50.90	50.30	50.82
July	52.60	52.70	52.25	52.80
August	52.02	52.40	52.02	52.20
Oct	51.10	51.10	51.00	51.27
Dec	52.36	52.35	52.35	52.40

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
Dec	341.4	348.0	339.4	348.0
March	339.6	346.2	338.2	346.2
May	339.4	346.2	338.2	347.0
July	335.2	342.4	334.2	343.0
Sept	307.0	314.5	307.0	315.0
Dec	286.5	294.0	286.6	294.2

PORK BELLIES 38,000 lb; cents/lb

	Close	High	Low	Prev
Feb	59.55	59.70	58.60	59.00
March	58.67	59.75	58.75	59.15
May	60.56	61.30	60.52	60.97
July	61.47	62.00	61.40	61.50
August	60.18	60.55	60.10	60.05

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Nov	810.0	834.0	810.0	840.0
Jan	828.4	852.0	828.4	858.4
March	842.4	867.0	842.4	872.4
May	847.2	871.0	847.2	877.2
July	842.4	868.0	842.4	872.4
Aug	815.0	840.0	815.0	845.0
Sept	734.0	762.0	734.0	764.0
Nov	656.4	686.0	662.0	686.4
Jan	678.0	—	—	690.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	228.0	234.5	227.0	235.7
Jan	229.3	236.2	228.1	237.3
March	232.0	238.5	229.7	238.8
May	229.0	237.0	228.5	236.0
July	228.3	236.0	228.5	237.5
Aug	219.5	229.0	219.5	228.0
Sept	207.0	212.0	207.0	214.7
Oct	187.0	190.0	184.0	191.0
Dec	186.5	189.0	184.0	190.2
Jan	188.0	—	—	190.0

SOYABEAN OIL 60,000 lb; cents/lb

	Close	High	Low	Prev
Dec	28.27	29.05	28.27	29.27
Jan	28.48	29.30	28.48	29.48
March	28.92	29.80	28.92	29.92
May	29.05	29.85	29.05	30.05
July	29.08	30.00	2.08	30.08
August	28.45	29.05	28.45	29.45
Sept	26.85	27.76	26.85	27.85
Oct	25.30	26.00	25.30	26.30
Dec	24.90	25.80	24.90	25.90

WHEAT 5,000 bu min; cents/60 lb-bushel

	Close	High	Low	Prev
Dec	358.5	365.2	359.0	365.2
March	371.4	379.2	367.0	379.4
May	371.4	379.5	367.0	378.0
July	358.0	360.2	352.0	359.2
Sept	364.0	368.4	360.0	366.0
Dec	377.0	380.2	372.4	379.0

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling firm

The dollar and sterling finished firm on the foreign exchanges, boosted by the lack of intervention by the Federal Reserve in the New York banking system, and better than expected U.K. trade figures.

Unrest around the world, illustrated by events in the Caribbean, Lebanon and the Gulf helped to underpin the dollar, which also gained support ahead of the U.S. Treasury November refunding package.

Sterling moved up with the dollar, and was helped by much better than expected September trade figures, including a fall of 11.3 per cent in the volume of consumer imports.

DOLLAR — Trade-weighted index (Bank of England) 126.4 against 122.5 six months ago. The dollar has retreated from the peaks touched in August, amid hopes that a sustained fall was imminent, following better money supply figures and a slight easing of interest rates. A large U.S. Budget deficit is likely to restrain the fall in interest rates and the dollar, but downward pressure on the currency will continue due to the substantial trade deficit.

The dollar rose to DM 2.6195 from DM 2.6075 against the D-mark; FFr 7.7975 from FFr 7.8550 against the French franc; SwFr 2.1255 from SwFr 2.1160 in terms of the Swiss franc; and Y232.80 from Y232.50 against the yen.

STERLING — Trading range against the dollar in 1983 is 1.6235 to 1.4540. September average 1.4991. Trade-weighted index 83.6 against 83.6 at noon, 83.4 at the opening, 83.5 at the previous close, and 84.6 six months ago. The pound has tended to move with the dollar recently, although a decline against Continental currencies is probably welcomed. It has also reacted to Middle East tension, and its effect on oil supplies, highlighting the pound's status as a petrocurrency.

Sterling fell 25 points to $1.4960-1.4970, after opening at $1.4970-1.4980, and trading within a range of $1.4945 to $1.5000. The pound rose to DM 3.9225 from DM 3.91; FFr 11.9425 from FFr 11.9225; and SwFr 3.1850 from SwFr 3.1750; but eased to Y348.50 from Y348.75.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. September average 2.6633. Trade-weighted index 126.8 against 129.8 six months ago. The D-mark has improved after falling to its lowest level for nearly 10 years against the dollar in August. As U.S. money supply figures have improved attention has switched towards German money supply growth, which is causing some concern, and encouraging the Bundesbank to keep interest rates firm. This, coupled with the strong German economy, is likely to support the D-mark against its EMS partners and the dollar.

The D-mark lost ground to most currencies at the Frankfurt fixing. The Bundesbank sold $1.7m when the dollar rose to DM 2.6131 from DM 2.6027. Mounting world tension tended to support the U.S. currency, but the DM 800m September current account deficit for Germany was viewed as a disappointment, and also gave another upward push to the dollar. Sterling rose to DM 3.9130 from DM 3.9030.

BELGIAN FRANC — Trading range against the dollar in 1983 is 54.49 to 45.90. September average 53.83. Trade-weighted index 90.7 against 94.1 six months ago. The Belgian franc has come under renewed pressure within the EMS, as the dollar has declined from the peaks touched two months ago. Demand for the dollar was helping to keep pressure off the weaker members of the system, but the move back into European currencies has been mainly aimed at the D-mark, pushing the franc below its alarm bell limit.

The dollar was firm, rising to BFr 53.23 from BFr 53.05 at the Brussels fixing.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9144	+2.26	+1.80	±1.5447
Danish Krone ...	8.14104	8.14632	+0.06	−0.40	±1.6425
German D-Mark	2.24184	2.25560	+0.61	+0.15	±1.0642
French Franc ...	6.87456	6.87596	+0.02	−0.44	±1.4052
Dutch Guilder ...	2.52595	2.53401	+0.32	−0.14	±1.4964
Irish Punt	0.72569	0.725897	+0.03	−0.43	±1.6690
Italian Lira	1403.49	1371.74	−2.26	−2.26	±4.1505

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 26	£	$		£ Note Rates
Argentina Peso...	22.80-22.90	15.23-15.26	Austria	27.40-27.70
Australia Dollar..	1.6316-1.6333	1.0895-1.0905	Belgium	80.20-81.00
Brazil Cruzeiro...	1,220.0-1,233.0	818.0-822.0	Denmark	14.07-14.21
Finland Markka...	8.4535-8.4740	5.6525-5.6575	France	11.88-12.00
Greek Drachma...	139.80-140.40	93.40-93.70	Germany	[illegible]
Hong Kong Dollar	11.66¾-11.68¼	7.79-7.80	Italy	2355-2390
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
KuwaitDinar(KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

* Selling rates.

CURRENCY MOVEMENTS

Oct. 26	Bank of England Index	Morgan Guaranty Changes%
Sterling	83.6	−7.6
U.S. dollar	126.4	+10.0
Canadian dollar	92.0	+1.0
Austrian schilling	117.4	[illegible]
Belgian franc	[illegible]	[illegible]
Danish kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	[illegible]	[illegible]
Yen	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Oct. 26	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.708513	0.579613
U.S. $	8½	1.05101	0.862720
Canadian $	9.45	*	1.06383
Austria Sch.	3¾	N/A	15.8483
Belgian F	9	56.4775	45.9144
Danish Kr	7	[illegible]	[illegible]
D mark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French F	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn Kr.	[illegible]	[illegible]	[illegible]
Spanish Pts.	[illegible]	[illegible]	[illegible]
Swedish Kr	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Dr'ch	[illegible]	[illegible]	[illegible]

*CS/SDR rate for Oct 25: 1.30861.

THE POUND SPOT AND FORWARD

Oct 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4945-1.5000	1.4960-1.4970	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	226.50-227.30	226.75-227.00	210-300c dis	−13.48	660-820dis	−13.05
Italy	2371-2387	2384-2386	15-17lire dis	−8.05	48½-52½dis	−8.56
Norway	11.01½-11.04½	11.02½-11.03½	3.60-4.25ore dis	−4.27	10.70-11.45dis	−4.02
France	11.89½-11.96	11.93½-11.94½	2¾-3¼c dis	−3.27	11-12¼ dis	−3.94
Sweden	11.64-11.69½	11.66-11.67	2.70-3.25ore dis	−3.06	7.60-8.25dis	−2.72
Japan	347½-350	348-349	0.95-0.75y pm	2.93	2.55-2.35 pm	2.81
Austria	27.40-27.65	27.57-27.62	9-6gro pm	3.28	22-18 pm	2.90
Switz.	3.16-3.19	3.18-3.19	1⅝-1⅛c pm	5.18	4⅞-3⅞ pm	4.87

Belgian rate is for convertible francs. Financial franc 80.65-80.75. Six-month forward dollar 0.25-0.30c dis. 12-month 0.55-0.65c dis.

THE DOLLAR SPOT AND FORWARD

Oct 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4945-1.5000	1.4960-1.4970	[illegible]	[illegible]	[illegible]	[illegible]
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	1586-1594	1593-1594	10-10½lire dis	−7.73	32-32½ dis	−8.14
Norway	7.3570-7.3825	7.3775-7.3825	2.20-2.50ore dis	−3.83	6.35-6.65dis	−3.53
France	7.9440-7.9800	7.9775-7.9825	1.80-1.95c dis	−2.82	6.70-7.10dis	−3.46
Sweden	7.7470-7.8025	7.7975-7.8025	1.60-1.80ore dis	−2.62	4.25-4.45dis	−2.23
Japan	232.50-233.80	232.75-232.85	0.65-0.60y pm	3.22	1.90-1.85 pm	3.21
Austria	18.32-18.45	18.43½-18.44½	6.00-5.40gro pm	3.72	16.5-14.5 pm	3.37
Switz.	2.1115-2.1270	2.1250-2.1260	1.02-0.98c pm	5.65	2.84-2.80 pm	5.31

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.90-53.95.

EXCHANGE CROSS RATES

Oct. 26	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.497	3.923	348.6	11.94	3.188	4.408	2388.	1.844	79.70
U.S. Dollar	0.668	1.	2.621	232.9	7.979	2.128	2.944	1594.	1.232	53.29
Deutschemark	0.255	0.382	1.	88.85	3.044	0.812	1.123	608.0	0.470	20.33
Japanese Yen 1,000	2.869	4.294	11.26	1000.	34.20	9.139	12.64	6844.	5.291	228.6
French Franc 10	0.838	1.253	3.285	291.9	10.	2.668	3.689	1997.	1.544	66.79
Swiss Franc	0.314	0.470	1.233	109.4	3.749	1.	1.383	748.8	0.579	25.04
Dutch Guilder	0.227	0.340	0.890	79.11	2.711	0.723	1.	541.4	0.419	18.10
Italian Lira 1,000	0.418	0.627	1.643	146.1	5.006	1.336	1.847	1000.	0.773	33.44
Canadian Dollar	0.542	0.812	2.127	189.0	6.473	1.727	2.389	1293.	1.	43.28
Belgian Franc 100	1.254	1.876	4.918	437.0	14.97	3.994	5.524	2991.	2.312	100.

FINANCIAL FUTURES

Gilts stay firm

The gilt contract remained in demand on the London International Financial Futures Exchange yesterday, supported throughout the day by a firm tone in the cash market. This was particularly encouraging against a background of depressed U.S. bond trading. December delivery opened at 107-13, the lowest level of the day, and touched a peak of 108-03, but found strong resistance of the 108 level, before closing at 107-27, compared with 107-08 on Tuesday.

Financial markets were looking for a U.K. visible trade deficit in the region of £200m for September, and a small current account shortfall, but were pleased by the announcement of a £110m trade surplus, compared with an August deficit of £138m, and a current account surplus of £270m, against £22m.

Short-sterling deposits were also firmer on Liffe, opening at 90.73, for December delivery, and touching a peak of 90.76, before finishing at 90.74, compared with 90.70. A slight easing of London money market interest rates, after a long period of very static rates helped to stimulate some interest in this contract.

Eurodollar's were also firm, ahead of the U.S. Treasury refunding announcement. December opened at 90.32, and ranged between 90.28 and 90.36, before closing at 90.30, compared with 90.26. Tuesday's fall to 9 per cent in Federal funds and a lower than expected durable goods figure, helped the contract to finish at its best level this week.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.30	90.36	90.28	90.26
March	89.91	89.99	89.91	89.91
June	89.63	89.72	89.63	89.64
Sept	89.41	89.47	89.41	89.42
Dec	89.23	—	—	89.20

Volume 2,208 (1,383).
Previous day's open int. [illegible]

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
Dec	90.74	90.76	90.72	90.70
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Dec	107-27	108-03	107-13	107-08
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

JAPANESE YEN Y 12.5m $ per Y100

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	70-31	71-04	70-20	70-29
March	70-13	70-16	70-02	70-12
June	—	70-02	69-19	69-28
Sept	69-13	69-18	69-08	69-14
Dec	69-05	69-08	68-27	69-03
March	68-27	69-29	68-20	68-25

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH EURODOLLAR (IMM)

	Latest	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

STERLING (IMM) $e per £

	Latest	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

COMPANY NOTICES

MICHELIN INTERNATIONAL DEVELOPPEMENT N.V. — JANUARY 1984 [illegible]

CANADIAN PACIFIC LIMITED (Incorporated in Canada) [illegible]

O.K. BAZAARS (1929) LIMITED [illegible]

MONEY MARKETS

London rates slightly easier

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

Short-term interest rates had a slightly easier tone on the London money market yesterday, following the optimistic view taken about inflation by the Chancellor of the Exchequer, and indications that building society rates will fall in the near future.

The Bank of England forecast a money market shortage of £250m, but later revised this to £300m. Total help provided during the day was £273m.

Before lunch the authorities bought £153m bills by way of £94m bank bills in band 2 (15-33 days maturity) at 9 per cent; £1m Treasury bills in band 3 (34-63 days) at 8⅞ per cent; £25m bank bills in band 3 at 8⅞ per cent; £20m Treasury bills in band 4 (64-91 days) at 8⅞ per cent; and £73m bank bills in band 4 at 8⅞ per cent.

In the afternoon the Bank of England purchased another £120m bills through £10m Treasury bills in band 1 (up to 14 day) at 9⅟₁₆ per cent; £15m local authority bills in band 1 at 9⅟₁₆ per cent; £5m bank bills in band 1 at 9⅟₁₆ per cent; £15m Treasury bills in band 2 at 9 per cent; £31m bank bills in band 2 at 9 per cent; £20m bank bills in band 3 at 8⅞ per cent; and £24m bank bills in band 4 at 8⅞ per cent.

In Copenhagen the Danish central bank announced a cut of ½ per cent to 7 per cent in its discount rate.

In Frankfurt call money fell back to 5.5 per cent, after firming to 5.525 per cent, and as high as 5.55 per cent on Tuesday, as currency swaps expired and drained DM 3bn to DM 4bn from the money market. The easier conditions were reported to be the result of funds injected indirectly by the Bundesbank this week, but the market remains nervous about a securities repurchase agreement worth DM 7.1bn maturing on Monday. It is hoped that the authorities will announce a replacement repurchase pact today to prevent a heavy demand for funds at the end of the month. Lombard borrowing fell to DM 3.6bn on Tuesday from DM 4.2bn, but is expected to rise sharply at the end of the week if the Bundesbank does not act to prevent the draining of funds next Monday.

LONDON MONEY RATES

Oct. 26 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8½-9⅛	9-9¼	—	—	9-9¼	8-9⅛	—	—	—
2 days notice	—	—	9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9¼-9⅛	—	—	—	—
7 days notice	—	8⅞-9¼	9⅛	—	—	—	9-9⅛	—	—	—
One month	9¼-9⅛	9⅟₁₆-9¼	9¼	9¼-9⅛	9⅛	9⅜-9¼	9	9⅟₃₂	9⅟₃₂	9¼
Two months	9¼-9⅟₁₆	9¼-9⅟₁₆	9¼	9¼-9⅛	9¼	9⅜-9⅛	9	8⅞-8⅞	8⅞	9⅟₁₆
Three months	9⅟₁₆-9¼	9⅟₁₆-9⅛	9⅟₁₆	9⅛-9⅛	9⅛	9⅜-9¼	9	8⅞	8⅞	9⅟₁₆
Six months	9⅟₁₆-9¼	9⅟₁₆-9⅟₁₆	9⅟₁₆	9⅛-9¼	9⅟₁₆	—	—	—	[illegible]	[illegible]
Nine months	9⅟₁₆-9⅟₁₆	9⅟₁₆-9¾	9⅝-9¾	10-9¾	9¾	—	—	—	—	—
One year	9⅟₁₆-9⅟₁₆	9¾-9⅞	9¾-9⅟₁₆	9⅞-9⅝	9⅞	—	—	—	—	—
Two years	—	—	10⅛-10½	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4 1983 (inclusive) 9.719 per cent.

Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years 11-11⅛ per cent; five years 11¼-11½ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 8⅞-8⅞ per cent; four months' trade bills 9¼ per cent.

Approximate selling for one-month Treasury bills 9 per cent; two months 8⅞-8⅞ per cent; three months 8⅞ per cent. Approximate selling rate for one-month bank bills 8 per cent; two months 8⅞ per cent and three months 8⅞ per cent; trade bills one month 9⅟₃₂ per cent; two months 9⅟₃₂ per cent and three months 9⅟₁₆ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from October 1 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 6½ per cent.

Treasury Bills: Average tender rates of discount 6.8398 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¾ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Oct. 26	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9⅞-10⅛
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Conv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING
(11.00 a.m. OCTOBER 26)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 9/16	offer 9 11/16	bid 9 11/16	offer 9 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9.25
Treasury bills (13-week)	8.65
Treasury bills (26-week)	8.86

GERMANY

Lombard	5.5
Overnight rate	5.5
One month	5.80
Three months	6.10
Six months	6.15

FRANCE

Intervention rate	12.25
Overnight rate	12
One month	12.25
Three months	12.25
Six months	12.4375

JAPAN

Discount rate	5
Call (unconditional)	0.15625
Bill discount (3-month)	6.34375

SWITZERLAND

Discount rate	4
Overnight rate	1½-2½
One month	3⅟₁₆-3⅟₁₆
Three months	4⅛-4¼

NETHERLANDS

Discount rate	5
Overnight rate	5¾-5⅞
One month	5¾-5⅞
Three months	6⅟₁₆-6⅟₁₆
Six months	6⅛-6¼

$ CERTIFICATES OF DEPOSIT

One month	9.25-9.35
Three months	9.35-9.45
Six months	9.55-9.65
One year	9.70-9.90

LONG TERM EURO $

Two years	10⅞-11⅛
Three years	11¼-11½
Four years	11⅜-11⅞
Five years	11⅞-12⅛

SDR LINKED DEPOSITS

One month	8½-8⅞
Three months	8⅟₁₆-9⅟₁₆
Six months	8⅞-9¼
One year	9⅟₁₆-9⅟₁₆

ECU LINKED DEPOSITS

One month	8⅟₁₆-8⅟₁₆
Three months	8⅞-9⅛
Six months	9¼-9⅝
One year	9½-10

INTL. CAPITAL MARKETS

LEGAL HITCH RESOLVED FOR $210m LOAN

Colombia deal expected

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

COLOMBIA is expected to complete a $210m loan from 20 international banks early next week, following resolution of a legal hitch that has delayed signing for more than a month.

The loan has been reduced by $15m from its previous level of $225m because of the refusal of Morgan Guaranty to agree to changes in the legal contract needed for signing to go ahead.

Colombia first tried to sign the loan at a lavish ceremony in London on September 20, but the signatures were rendered invalid when it was discovered that banks needed n Colombian power of attorney to sign the credit abroad.

Next week's signing ceremony will be an altogether lower-key affair in the offices of Slaughter and May, the London solicitors. With the legal problems surrounding the loan out of the way, Colombia will be free to proceed with a larger $370m financing for its electric utility Financiera Electrica Nacional. This is to be arranged on a co-financing basis with the World Bank.

Initial soundings on this deal have elicited a positive response from European and Japanese banks, but U.S. banks have been slow to come forward because of their preoccupation with Latin American debt problems, bankers said yesterday.

The legal hitch with the signing of the $210m loan, which was coordinated by Chemical Bank, was resolved by a presidential decree absolving the banks from the need to have their signatures validated in Colombia. This still necessitated changes in the legal contract, however. The loan is Colombia's first to be contracted under English rather than Colombian law.

● Italy's regional development authority Isveimer is raising a $150m Eurocredit through Citicorp. The loan is divided into two tranches comprising $80m over six years and $70m over 8½ years. Both will start with a margin of ½ per cent over London interbank offered rate and will rise after three and two years respectively to ⅝ per cent.

EUROBONDS

Mitsubishi to raise $100m

BY OUR EUROMARKETS CORRESPONDENT

MITSUBISHI CORPORATION, the Japanese trading house, is raising $100m in the Eurobond market through a five year issue carrying warrants to buy the company's stock.

Led by Nikko Securities the issue met a good response from investors when it was launched with an indicated coupon of 5⅞ per cent yesterday. It traded at a narrow discount of ⅜ from the indicated par issue price.

Each $5,000 bond will bear one five-year warrant to purchase a matching amount of shares at an exchange rate to be fixed on the pricing date of November 4. The exercise price for the warrants will be at a premium of 2½ per cent over the share price which closed yesterday at Y534.

Like the $85m Dart & Kraft issue launched on Tuesday, the Mitsubishi issue is designed to appeal to investors seeking equity linked paper. The Dart & Kraft issue, which carries warrants to purchase Minnesota Mining and Manufacturing stock, also traded at a narrow ⅜ discount.

With bond markets still drifting aimlessly yesterday, the limelight in other sectors was also taken by equity linked issues. In Switzerland, Bridge Oil of Australia has launched a SwFr 80m, ten-year convertible issue with an indicated coupon of 4½ per cent. This is the first public convertible issue in Switzerland for an Australian company and is led by Handelsbank.

The Fl 100m, 15-year convertible Euroguilder issue for Océ-van der Grinten led by Amro was priced yesterday with a 6½ per cent coupon and a ten per cent conversion premium. Issue price is par.

Elsewhere the European Investment Bank has been awarded a 99½ per cent issue price on its Fl 250m, 10-year, 8½ per cent bond led by Amro and Algemene Bank Nederland. The Inter-American Development Bank's Y15bn Eurobond will bear a coupon of 7⅞ per cent over ten years and a 99½ per cent issue price, lead manager Nomura Securities said.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for October 26.

U.S. DOLLAR STRAIGHTS

[illegible]						

OTHER STRAIGHTS

[illegible]						

DEUTSCHE MARK STRAIGHTS

[illegible]						

FLOATING RATE NOTES

[illegible]						

SWISS FRANC STRAIGHTS

[illegible]						

CONVERTIBLE BONDS

[illegible]						

YEN STRAIGHTS

[illegible]						